

# DAILY REPORT

## Asia & Pacific

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NAKASONE MAKES POLICY SPEECH AT DIET SESSION

OW121101 Tokyo NHK Television Network in Japanese 0603 GMT 12 Sep 86

[Japanese Prime Minister Yasuhiro Nakasone's policy speech at the 107th extraordinary Diet session -- live]

[Text] On the opening of the 107th Diet Session, I would like to state some of my views and seek the understanding and cooperation of my fellow citizens.

In the previous 106th Diet Session held immediately after the recent national elections, I was nominated to the office of prime minister for the third time. I am resolved to devote myself to the conduct of administration heart and soul and with a fresh mind.

Since I assumed the office of prime minister, I have pursued bold reforms for the building of a state with resilient culture and welfare and for transition to an international state, calling for an overhaul of postwar politics.

In the recent elections, I emphasized to our people that we need to carry out these reforms at all costs in order to firmly pave the way to the 21st century. The reforms include administrative, fiscal, tax, and educational reforms and reforms for a transition to new economic and social systems appropriate to an aging society. They also include the building of Japan into an international state that powerfully promotes peace and disarmament in the world, is open to the world, and positively contributes to world prosperity. [applause]

Furthermore, as a means to carry out these policies, I have stressed the need to establish politics that can easily be understood by the people, and politics with foresight on new trends and aspirations of the people and ability to respond with timely initiatives. We must build a new Japan full of energy and vigor through a generational change in all sectors and strata of the country.

My appeals have had overwhelming support, for which I am deeply moved. [applause]

At the same time, I feel myself sobered by the heavy responsibility bestowed on me. Considering this mandate of the people, the will of heaven, I am resolved to answer the expectations of our people by steadily implementing my campaign pledges with all modesty and sincerity. [applause]

With this in mind, I requested the convocation of this extraordinary session to positively tackle the reform of the Japan National Railways [JNR], which is an urgent task; the administrative and fiscal reforms including a review of the health insurance system for the aged; and the promotion of economic measures, including programs to stimulate domestic demand, in order to fulfill my campaign pledges.

On the House of Representatives seat reapportionment issue, the 104th Diet Session acted on it by revising the public office election law, thus correcting the long-standing problem. I would like to express my profound respect for the efforts made by the legislature in this respect. However, the revision of the law was a provisional measure to meet the immediate requirement for correcting what was considered an unconstitutional apportionment.

The resolution of the House of Representatives plenary session calls for a prompt and more thoroughgoing resolution based on the 1985 national census as soon as the confirmed figures of population distribution are made available. It is earnestly expected that the resolution will be promptly implemented. The government will do its utmost for this end.

Also, in order to secure our people's unchanging faith in the administration's political management, I will continue to strive for clean politics and administrative discipline. [jeers, applause]

Based on these basic views, I would like to state my policies concerning a variety of issues facing us.

The government, defining administrative reform as one of the administration's most important tasks, has been promoting the implementation of recommendations by the ad hoc administrative research council and the ad hoc administrative reform promotion council. The government has given the greatest possible respect to the recommendations.

Because of the understanding and cooperation of our people, the administrative reform programs have made steady headway and are now in their most crucial phase. In particular, reform of the JNR, which is now in a state of crisis, is the greatest and most urgent immediate task. [applause]

In order to rebuild the railways so they can truly answer the expectations of the people, the government will do everything in its power to carry out the reform, the basic feature of which is the JNR's partition and privatisation on 1 April next year. [applause]

We submitted to the 104th Diet Session nine bills, including the Japan State-run Railways Reform Bill. Of these bills, the Special Measures bill for fiscal 1986 was passed, enabling us to take the first step toward the reform. We will reintroduce the rest of the eight bills to this session and work for their speedy passage.

Meanwhile, in implementing JNR reform programs, we will take all possible measures to ensure employment and reemployment of JNR employees in order to avoid subjecting them and their families to any apprehension. At the same time, we will see to it that JNR's long-term debts are dealt with properly.

On the final recommendations received in June this year of the ad hoc administrative reform promotion council concerning the future direction of administrative and fiscal reforms, we, under the basic line of giving them maximum respect, recently adopted the decision on the seventh work force reduction. We will take further measures to implement the council's recommendations successively.

The council's final recommendations contained reference to the creation of an advisory council for further promoting administrative reform. We will study specific details related to the proposed council and come up with a program.

Furthermore, we will endeavor to augment the real strength and independence of local public organizations. At the same time, the government will see to it that the administrative reform of local public organizations is carried out independently and in a comprehensive manner as required by the outline for local administrative reform; it will take steps to positively accelerate the process.

The government will continue to vigorously work for fiscal reform. The government has set rigid standards for fiscal 1987 budget requests. In future budget compilations, systems related to various policies will be thoroughly rectified, priorities will be strictly determined, and efforts will be made to further reduce spending. The road of fiscal reform is a hard one.

In various advanced countries, people have been working hard to reduce and rationalize spending and follow healthy financial practices in order to cope with excessive fiscal deficits and increasing international payments, while not increasing the people's burden or inviting inflation and price increases. I cannot but frankly note that under even harder fiscal circumstances than other countries, Japan is also pressed to take serious measures not to leave heavy burdens on future generations.

On the tax system, the Tax System Research Council has now been working energetically to establish a desirable tax system free of ambiguities and based on such fundamental ideals as fairness, justice, simplicity, choice, and vitality.

In April, a midterm report was worked out concerning reduction and rationalization of income taxes, such as lessening the burden on salaried workers in the middle-income bracket and special measures for housewives, and rectification of taxes of juridical personnel. An overall examination of the tax system is now under way, and we expect to receive this autumn unified, comprehensive guidelines outlining measures to create sources of revenue. Drastic tax system reform is an urgent national task. It is one of the most important public commitments. With the understanding and cooperation of the people, the government is firmly determined to work for establishment of a rational new tax system in preparation for the 21st century. [applause]

On educational reform, the ad hoc council on education submitted its second report in April. The report showed how education should basically be in preparation for the 21st century. At the same time, it showed a fundamental position for reorganization of the educational system centered on a shift to the position of regarding learning as one's lifework. It thus made concrete recommendations covering a broad area. I am convinced that realization of educational reform is a great political task.

Since the government received the first report last year, it has taken concrete steps to reform college entrance exams. These concrete steps include removing evils -- such as attaching excessive importance to schools for careers and heavy competition in entrance exams through overemphasis of the deviation value [hensachi], and improving the joint first examination. As for the current second report, the government will respect it and work to gradually implement what has been recommended in it from a comprehensive viewpoint. On the bullying issue in particular, the government will take substantial steps to have schools, families, and local communities join hands in resolving it. At the same time, it will pay much attention to discipline and moral education, which teaches basic manners in human life, and work for their further promotion.

This is an era of worldwide changes, and all countries accordingly have great interesting educational reform. With this in mind, our country proposed at the Tokyo Summit that a meeting of educational experts be held, participated in by countries affiliated with the OECD and the summit member nations. Fortunately, with the consent of the various countries, the meeting will be held in Kyoto in January next year, and I am happy to report here that preparations are now under way for its convocation.

The Tokyo Summit, which was held in May this year, confirmed that participants would increase cooperation and coordination to resolve various problems currently facing the world. I believe that this was really significant in consolidating the bright future of the world, not only for the participants in the summit but also for developing nations. I would like to again extend my thanks to the people for their cooperation in opening the meeting.

I keenly feel that through the Tokyo Summit the position of our country in the international community has considerably increased not only in the economic but also in the political field. From a worldwide viewpoint, Japan must now actively and voluntarily push ahead with its internationalization and to positively contribute to the international community by extending cooperation to developing nations, making efforts for world peace and disarmament, consolidating the free trade system, and joining international cooperation in frontier science and technology.

East-West relations are directly related to the peace and security of the world. In particular, on relations between the United States and the USSR, foreign ministerial talks are expected soon to pave the way for the second U.S.-USSR summit. However, I am convinced that dialogue and negotiations based on reason are indispensable to the establishment of stable East-West relations. On the basis of my convictions, I will make further cooperative efforts to ensure that fruitful dialogue and negotiations will be carried out between the United States and the USSR. In particular, hoping that practical results in U.S.-USSR negotiations on arms control and disarmament will be achieved by the end of this year at the latest and what preparations will begin to substantially reduce nuclear weapons, we will support the diplomatic efforts of the United States on this issue as well as call on the USSR to participate in the negotiations with a serious and constructive approach.

Taking into account the fact that a serious situation still exists in the international arena, our country will steadily carry out the policy to ensure mutual security. As part of this policy, we will promote the Japan-U.S. security system in a smooth and effective way, and at the same time we will make efforts to maintain a high-quality defense force within the limits of self-defense and in coordination with other policy matters. Naturally, there will be no changes whatsoever in our policy of being dedicated to purely defensive capabilities under the peace-oriented constitution, of imposing no military threat on other nations, and of adhering to the nonnuclear principles and civilian control.

As mentioned earlier, it is one of our nation's international obligations to cooperate in the promotion of prosperity and stability of developing countries. Many developing countries are faced with various difficulties, such as accumulated debts. For the purpose of economic and social development, as well as improvement of the people's livelihood of the countries concerned, our country will strive to steadily expand official development aid under the targets set in the third intermediate program while carefully providing genuinely fair and effective cooperation.

Next, I will state my views on our relations with other countries. In our relations with the United States, we will make efforts to further promote the close relations between the two countries through such measures as maintenance and development of unshakable friendly and cooperative relations based on the Japan-U.S. security system; the promotion of smooth trade and economic relations; and cooperation in maintaining and strengthening the international free trade system. In parallel with its efforts on negotiations on arms control and disarmament, the United States is engaged in research on an advanced, nonnuclear defense system. Under the basic idea of ultimate elimination of nuclear arms, the United States is currently undertaking the SDI research program.

In my opinion, this program conforms to the position of our nation as a nation dedicated to peace. [applause]

Furthermore, we feel that our country's participation in the SDI research program will contribute to the smooth operation of the Japan-U.S. security system and that it may possibly have the effect of upgrading our nation's technology in related fields. In this connection, we have recently decided to consult with the U.S. Government on concrete measures to ensure our nation's smooth participation in this program. [applause]

Moreover, we have, in recent years, promoted our relations with Asian and Pacific nations both to a greater extent and in greater depth. However, in studying past history, in learning lessons from history, and in considering that the starting point of our Asian diplomacy is to promote friendship and cooperation, our nation will strive to develop cooperative relations based on true mutual understanding with these countries, including the ASEAN countries.

It is regrettable indeed that an incident occurred recently that could have adversely affected the nation's relations with neighboring Asian countries. The fundamental point of our nation's diplomacy is to maintain and strengthen friendly relations with these countries. With this in mind, greater efforts will be made to promote good-neighborly, friendly, and cooperative relations with the ROK. Continued efforts will also be made to promote prolonged, stable, and mutually cooperative relations with China. Furthermore, efforts will be made to achieve closer ties with Europe and strengthen the tripartite cooperation between Japan, the United States, and Europe, which share the same sense of values.

In our relations with the USSR, the nation's unshakable fundamental policy is to settle the northern territories issue, conclude a peace treaty, and establish stable, extensive and mutually reliable relations. The first regular foreign ministerial consultations between Japan and the USSR in the past 8 years were held in Tokyo last January, and negotiations were reopened on the peace treaty, including the territorial issue. Then, the consultations continued in Moscow last May, and consultations have become an established practice. Moreover, an accord has been reached on strengthening political dialogue, including the exchange of visits by myself and General Secretary Gorbachev. I regard all these developments as truly meaningful. Negotiations are now under way with the USSR on General Secretary Gorbachev's visit at an early date. When the general secretary visits Japan, we will make persistent efforts to establish friendly relations based on genuine understanding between Japan and the USSR in accordance with the fundamental principles mentioned earlier.

Considering the U.S. fiscal deficits, the imbalance in current accounts among countries, the continuing serious unemployment situation in Western Europe, heightened protectionist trends against the backdrop of these factors, and other things, the world economy continues to face a number of problems. In addition, the international monetary situation and oil price trends have an uncertain future.

To cope with this situation, it is necessary -- as was confirmed at the recent Tokyo Summit -- to further strengthen policy cooperation among countries for the purpose of attaining sustained economic growth without inflation and stabilizing exchange rates.

Japan, which accounts for 10 percent of the world economy, needs to further accelerate these policy cooperation trends and actively endeavor toward forming harmonious economic relations with other countries.

In recent years, Japan's current account surplus has been moving upward and has reached an unprecedented level. However, the continuation of such a substantial imbalance with other countries is a serious problem from the viewpoints of both our national economic management and harmonious development of the world economy. To remedy this in the days ahead, it has become an urgent task to put Japan's economic activity in harmony with that of the international community.

Because of this, the government last May worked out the general principle for promotion of economic structural readjustments and adopted such policies as domestic demand expansion; conversion of the industrial structure into an internationally harmonious one; improvement of market accessibility; promotion of imports; stabilization of international monetary values at an appropriate level; and promotion of international cooperation.

To promote this general principle more forcefully, last month I established a government-LDP headquarters for promotion of economic structural adjustment headed by me. I intend to continue striving actively to materialize an internationally harmonious economic structure.

Next week, a GATT ministerial meeting is scheduled with a view to starting a new round of talks. To check protectionism and build a multilateral free trade system in preparation for the 21st century, Japan intends to do everything in its power to help make the talks a success.

While the framework of the world economy is undergoing changes as exemplified by the revision of the strong dollar, as far as our national economy is concerned, prices remain very stabilized and, although business is basically firm, growth has slowed down and a feeling of stagnation is spreading in enterprises' evaluation of the business situation, particularly in the manufacturing industry.

To cope with this economic situation facing us today -- and the future does not warrant optimism -- the government will strive for appropriate and flexible operation of its economic and monetary policies while paying careful attention to trends in the yen exchange rate and its impact on the domestic economy. Notably, to insure sustained expansion of economic activity centering on domestic demand is an urgent task in forming harmonious economic relations with other countries and further improving national life.

To this end, the government plans to join hands with local public organizations and government-affiliated agencies under the basic policy of holding fast to the line of administrative and fiscal reforms in working out comprehensive economic measures at the earliest possible date, measures which include supplementary public works investment and measures for small and medium businesses. Specifically, the government plans to continue striving to promote public works projects, carry out additional disaster relief work, and supplement the necessary public work expenses through the utilization of contract authorization and fiscal investment and loans as well as supplementary requisitions for independent local projects.

To promote housing investment, the government also plans to expand the loan system of the Housing Loan Corporation.

With a view to making better use of private sector vitality for urban redevelopment and maintenance of public establishments, the government plans to further accelerate deregulation and increase incentives. To strive for effective utilization of the vitality of the private sector, the government plans to listen to the views of all circles.

Along with the decline in crude oil prices, the strong yen has brought great benefits to our national economy and life through commodity price stabilization and other effects. To promote individual consumption, it is important to pass on to consumers the marginal profits accrued from the yen appreciation and other phenomena. The government intends to continue taking supervisory, monitoring, and other appropriate measures.

Small and medium businesses are faced with the harsh climate of the yen appreciation in the midst of internationalization of the industrial structure. To help them actively cope with these changes, the government has heretofore taken carefully tailored measures, including special low-interest loans incidental to the yen's appreciation and credit assistance. In view of the further appreciation of the yen, the government intends to strive to expand these measures and work out comprehensive support measures for small and medium businesses located in areas where the business situation has notably deteriorated in order to help activate the local economies.

The government also intends to expand the employment adjustment subsidy system in order to help stabilize employment.

To strive for fulfillment of the above-stated policies, the government will submit the 1986 supplementary budget and related bills to the current Diet session. The government will also strive further to work out agricultural, forestry, and fisheries measures centering on improved productivity and carry out measures to reduce ships of North Pacific fishermen.

In our country, the population of the aged people is sharply increasing. In a society of real longevity, which will come about at the beginning of the 21st century, we should maintain the vitality of our economic society and allow people to spend their long lives with a sense of security and meaningfulness. In this context, it is an important task for the state administration to turn the present economic and social system into one fit for an era in which man's life span will be eighty years.

To this end, the government intends to implement policies in a comprehensive and positive way on the basis of the Outline of Measures for the Aging Society approved in June. Concurrently, aged people's pursuit of knowledge and other activities, such as their participation in social programs, will be promoted so that all can display individual ability and creativity throughout their lives. At the same time, efforts will be made to allow working people to enjoy sufficient leisure time by shortening working hours. In addition, measures will be taken to establish a social security system that is fair and effective in both benefits and obligations, to realize healthy and decent lifetime employment, maintain peaceful and comfortable residential housing, enliven mutual-aid functions in local communities, and promote exchanges between generations.

With an eye to establishing the aging people's health and medical service system, which is suitable for the longevity society, an amendment bill aimed at rectifying the present health system for the aged from a broad viewpoint, will be presented again to the current Diet for its prompt passage. Concerning cancer, we have implemented various policies to conquer cancer in a comprehensive way and on a priority basis incompliance with the Overall 10-Year Anticancer Program. We have attained some results in this field, such as discovery of (?homo) gastric and liver cancer genes. In the future, we will do our best to shed light on cancer's real nature. We will also make all-out efforts to conquer fatal diseases.

In addition to the increase in the numbers of aged people, moves for internationalization and rapid progress in technological innovation and information media are expected to produce great changes in situations surrounding people and national land with the approach of the 21st century. While coping with these changes of the times in a precise manner, we should make Japan a pleasant and vigorous place to live, leaving it the same way for the next generation. This is our responsibility.

To this end, we should first develop native towns which residents can be proud of and love because of their unique characteristics. We should develop our national land into one that can withstand earthquakes and calamities. Public safety should be well-established in this land. It should be full of flowers and greenery. It should be peaceful and full of historic fragrance. Moreover, we should work to develop our national land in a symmetrical way. We should raise the quality of our national land so it can serve as a forum for cultural, scientific, and economic exchanges, open to the world.

At the same time, we should work to develop information, communications, and highway traffic systems. Through urban redevelopment programs, we should redress large city areas such as Tokyo and Osaka. We should take these measures by bringing the vitality of the private sector into full play.

In this effort, it is particularly important to correctly handle the land issue, including stabilizaton of land prices in large urban areas.

To deal with these tasks, the government plans to formulate the Fourth Overall National Development Plan to provide a guideline for the consolidation of our national land in preparation for the 21st century.

The 21st century is just around the corner. The number of children who will come of age in the 21st century has already reached over 8 million. It is the utmost task and earnest desire of our generation to work to build a vigorous and better Japan -- in which these children will grow up and enjoy a hearty life as Japanese -- and turn it over to these future grownups. [applause]

The greatest change in our nation's postwar history is the change in our role in the international community. For Japan to survive as an influential member of the international community in the true sense of the word, it is necessary for Japan to make a serious review of its past stand as a somewhat one-sided beneficiary of the peace and prosperity of the world; to take up its corresponding share of responsibilities; and to make positive contributions to the internatonal community. We should build Japan into a nation sharing responsibility for peace and prosperity in the world by changing it from a Japan existing in the world into a Japan existing with the world and further into a Japan contributing to the world. Herein lies the genuine realization of an international nation, Japan. [applause]

For this purpose, we ourselves should first have a correct understanding of Japan and then pass on this correct understanding to the world. Moreover, Japan's development in recent years has aroused the attention of the world, and various countries are eagerly awaiting a cultural message from Japan. To meet their expectations, the government is now working to establish a research center on Japanese culture based on the international viewpoint.

With the U.S.-USSR summit talks as a start, signs of new efforts for ensuring peace have emerged in international politics.

In the world economy, efforts have been made to find a new system aimed at further development through policy coordination among various countries. In science and technology, there has been a change with efforts to turn out larger and greater quantities of products now shifting to efforts to turn out products in greater varieties, to provide more information, and to promote harmony with mankind. Both the world and Japan are at a historical turning point, and mankind is ready to begin a new era of civilization. [applause]

Japan should not take the untried course of meeting the needs of an information-oriented and aging society as well as turning Japan into an international state. I am convinced that we must revitalize our concepts and prospects and work out a new blueprint under grand concepts for Japanese society to greet the 21st century. We must do our utmost to turn this blueprint into reality.

For this purpose, it is necessary for Japan as a whole to promote rejuvenation filled with both energy and wisdom in economy, society, and politics. [applause] This is also why politicians have taken the lead in promoting the generational shift through the recent national elections.

The government will steadily implement the policies to meet this historical challenge. Let us do our best so that future historians will talk about present-day Japan not merely as the age of peace and prosperity but also as the age of national wisdom and energy devoted to creating a better Japan to greet the 21st century. [applause]

In this connection, I once again ask for the understanding and cooperation of my fellow citizens.

USSR'S MARCHUK ENDS VISIT, LEAVES FOR HOME 13 SEP

OW130532 Tokyo KYODO in English 0519 GMT 13 Sep 86

[Text] Tokyo, Sept. 13 KYODO -- Guriy Marchuk, Soviet vice premier and chairman of the National Science and Technology Commission, left for home Saturday on the completion of his official visit to Japan. Marchuk had been in Tokyo since last Sunday.

S & T COOPERATION TALKS WITH USSR TO BEGIN 16 Sep

OW131143 Tokyo KYODO in English 1016 GMT 13 Sep 86

[Text] Tokyo, Sept 13 KYODO -- Japan and the Soviet Union will hold the first scientific and technological cooperation commission meeting in seven years at the Foreign Ministry Tuesday. The three-day session will be the follow-up to a week-long visit to Japan by Soviet Vice Premier Guriy Marchuk which ended Saturday. It is aimed at expanding Soviet-Japanese relations from atomic energy and agriculture to science and technology.

Marchuk said cultural and scientific relations between the two countries would lead to expansion to cover bilateral political ties. Japan is prepared to offer scientific and technological cooperation to the Soviet Union to a certain extent in the light of an anticipated visit to Japan by Soviet leader Mikhail Gorbachev. The commission designed to promote bilateral scientific and technological cooperation has been suspended as part of Japan's sanctions against the Soviet Union over the situation in Poland.

As a result of the past two rounds of talks, Japan has played host to a series of scientific seminars on such subjects as plasma, high-speed atomic reactors and extermination of insects. In an agreement with Marchuk, Japan will hold similar functions on biotechnology and the peaceful use of space.

Japan hopes the scientific relationship with Moscow will help in its call for the return of four Soviet-held islands of Hokkaido.

BURMESE PRIME MINISTER FETED BY LEADERS

Emperor Hosts Luncheon

OWI20816 Tokyo KYODO in English 0439 GMT 12 Sep 86

[Text] Tokyo, Sept. 12 KYODO -- Emperor Hirohito hosted an imperial luncheon for Burmese Prime Minister Maung Maung Kha Friday at which Crown Prince Akihito and Prime Minister Yasuhiro Nakasone were also present. Maung Maung Kha has been in Japan since Tuesday as a government guest. He held talks with Nakasone Thursday. The Burmese premier will visit Kyoto and Osaka, western Japan, during his 10-day visit.

Nakasone Hosts Banquet

OWI21115 Tokyo KYODO in English 1102 GMT 12 Sep 86

[Text] Tokyo, Sept. 12 KYODO -- Prime Minister Yasuhiro Nakasone hailed continued friendship between Japan and socialist Burma at a banquet held in honor of visiting Burmese Prime Minister Maung Maung Kha Friday. Nakasone, who hosted the banquet at the prime minister's official residence, said materialistic societies are entering a dark period due to increased scientific technologies born out of the Western-European society. Japan and Burma are now in a better position than ever to make known to a troubled world the spiritual value of the Orient, Nakasone said.

The Burmese prime minister, in a reply speech, said that many countries are now faced with economic problems that must be readjusted among the world's trading partners. He expressed the hope that the economic readjustment Japan is now promoting to improve relations with other countries will produce positive results for developing nations.

**BOMBING AT SEOUL'S KIMPO AIRPORT REPORTED**

SK141517 Pyongyang Domestic Service in Korean 1500 GMT 14 Sep 86

[Text] According to reports from Seoul, an explosion occurred at Kimpo airport, Seoul, on 14 September. It has been reported that this explosion occurred in the building of the general guidance service center for foreign tourists in the airport and 5 persons were killed and some 20 wounded.

A foreign news agency has reported that this blast took place a week before the opening of the Asian Games. A broadcast from Japan has reported that, because of this explosion, the organizing committee side, which is greeting foreign sports teams participating in the Asian Games, is suffering a great deal of trouble.

**VNS Comments**

SK150756 (Clandestine) Voice of National Salvation in Korean to South Korea 0300 GMT 15 Sep 86

[Text] Five persons died and 20-odd were injured when explosives detonated at the international terminal building at Kimpo Airport.

At around 1510 on 14 September, an explosive device exploded in a trash can outside the international terminal building at Kimpo Airport. As a result of the blast, 5 persons were killed and 20-odd injured.

When the explosion occurred, more than 10 large windows in the international terminal building were shattered and automatic beverage dispensing stands were also severely damaged.

According to remarks by witnesses, there was a smell of gunpowder after the explosion and screams resounded inside and outside the waiting area, thus causing confusion. Persons from the [Asian Games] organizing committee who came to greet the foreign champions were trembling and horrified by the explosion, and added to the confusion by screaming.

**KIMPO AIRPORT BOMBING KILLS 5; NORTH BLAMED****Police Director's Statement**

SK141310 Seoul MUNHWA Television Service in Korean 1210 GMT 14 Sep 86

[Announcement by Kang min-chang, director of the ROK National Police Headquarters -- live]

[Text] At around 1512, an explosive, whose type has not been determined, exploded between entrance gates 5 and 6 outside the international flight service building, killing 5, including Yu Chu-hwan, 41, an electrician of the airport management corporation; seriously injuring 13; and slightly injuring 6. The injured were hospitalized at the kimpo central medical clinic and the Hangang Songsim hospital, and are receiving medical treatment there.

Shortly after the incident, the police authorities established an investigation headquarters at the Seoul Metropolitan Police Station. They are continuing a thorough investigation to ferret out the culprits. Since the explosion took place outside the airport building, routine work, including entries and departures, was not hindered at all.

Because the method of the blast is similar to those of the Rangoon assassination bombing in October 1983 and the bombing at the American Cultural Center in Taegu on September 1983, we view the explosion as having been perpetrated by the puppet North or committed by impure elements instigated by the puppet North, and we are mobilizing all investigative forces.

Having intensified their guard up to the present, 6 days before the opening of the Asian Games, the police authorities consider the occurrence of this undesirable incident as very regrettable, and express deep condolences to the victims and their families. It is obvious that the explosion incident was perpetrated with the impure and bestial scheme to block the successful holding of the Asian Games.

Because of the increased special guards, the explosive was not planted inside the airport, but in a garbage can outside the building.

Because of this incident, the police authorities will even further strengthen their guard posture, thus smashing all impure plots in advance, preventing social disturbances, protecting the lives and property of the people, and perfectly ensuring the personal safety of the atheletes and officials participating in the Asian Games and other foreigners. All types of coorporation by the people are especially required.

**Special Team To Settle Problems**

SK141338 Seoul YONHAP in English 1326 GMT 14 Sep 86

[Text] Seoul, Sept. 14 (YONHAP) -- The South Korean Government has established a special team to settle problems caused by the Sunday blast at Seoul's Kimpo International Airport that killed five people and injured 19 others. The team, headed by Yun Il-kyon, president of the Korea International Airports Authority, is now working on measures to restore the damaged area of the airport and to compensate for the dead and the wounded.

Meanwhile, the Kimpo International Airport on the western edge of the capital resumed normal operations soon after the blast. With security measures stepped up in and around the airport, all flights are operating as scheduled.

Compared to Rangoon Bombing

SK150225 Seoul Domestic Service in Korean 2200 GMT 14 Sep 86

[Text] The police investigating the bomb blast at Kimpo airport have found that the explosives used in the bomb blast were TNT. In trying to locate the source of the explosives the police are concentrating their investigative effort on whether puppet North Korea was involved in the bomb blast incident. Based on data provided by a team of bomb experts who searched the bombing site for clues, the police believe the explosive used in the crime was TNT due to the dark smoke produced by the blast and the fact that vending machines were covered with dark soot.

Particularly in light of the fact that the concrete wall near the bombing site had a hole shaped like a hole created by a mortar blast, with a width of 20 cm at the top and 15 cm at the bottom, the police believe that the explosives used were a kind of high-powered time-bomb designed less for killing than for blowing things up. The police believe that the criminals hurriedly planted the bomb inside a trash can outside the airport lobby because security inside the airport building was too tight and because they believed the bomb blast outside the airport would serve their goal of creating social unrest.

The police are concentrating their investigation, based on the belief that the bomb blast was a crime committed either by puppet North Korea or by impure domestic element instigated by puppet North Korea to impede the Asian Games scheduled to be held 6 days later. This is because puppet North Korea has continued operations designed to hinder the Asian Games and because various aspects of yesterday's bomb blast are similar to the assassination bombing in Burma in 1983.

Realizing that the trash can in which the explosives had been planted is usually cleaned every hour and that the contents of the trash can are searched without fail, the police believe the criminals must have infiltrated the airport to plant the explosives by disguising themselves as laborers. Thus, the police are looking for witnesses among the laborers.

At the bombing site the police found two 1.5 volt dry cells and electric chord and wire believed to have been used by the criminals. The police tested the materials they found to determine the power of the explosives and the type of explosives used and decided to thoroughly examine the shrapnel and the nature of the wounds sustained by the dead and wounded.

Police on Emergency Alert

SK150147 Seoul Domestic Service in Korean 2200 GMT 14 Sep 86

[Text] The police have issued an emergency alert order to police forces throughout the country. As a result, the police are in an emergency duty posture. Immediately following the incident, the police issued the "Pongae" No 1 and No 2 emergency decrees in Seoul and in some parts of Kyonggi Province and are checking pedestrians by deploying more than 1,600 policemen at checkpoints, bus terminals, and important roads. The police have also strengthened security at the Kimpo Airport gate and are searching areas around the airport and checking anyone acting unusual.

In particular, the police have strengthened security by increasing the number of security guards at the athletes' village for the Asian Games; hotels where foreigners, including athletes and sports workers, are staying; and important facilities, including the sports grounds. The police have limited entry and exit to these facilities by ordinary people and are checking baggage carried by those who enter and leave. The police are also checking vehicles to determine whether they are carrying anything dangerous by mobilizing control teams. Meanwhile, the police are checking vulnerable facilities for safety and are preventing the approach to these facilities by suspicious persons by strengthening patrols. Presided over by Bureau Chief Yi Yong-chang, the Seoul Metropolitan Police Bureau held an emergency meeting last evening, rechecked security measures taken thus far, and took the emergency duty step to safely host the Asian Games.

#### Parties Denounce Bombing

SK150201 Seoul Domestic Service in Korean 2200 GMT 14 Sep 86

[Text] Issuing a statement today in connection with the explosion of a bomb at Kimpo airport, DJP spokesman Sim Myong-po stated that the barbarous act committed at Kimpo airport -- an act seemingly committed by the treacherous and barbarous North Korean puppet group or by an impure force in the country under the instigation of this group -- has enraged and astonished the peace-loving people of the world, as well as our own people, because this incident was touched off following the Rangoon incident and the incident at the Taegu American Cultural Center.

The DJP spokesman Sim noted that the North Korean puppets and impure forces in the country, which have been instigated by them, should naturally be chastised by all the peace-loving people of the world for committing a heinous and barbarous act in an attempt to hinder the Asian Games, a peaceful sporting festival of the 3 billion Asian people. Spokesman Sim urged all the people to unite and cooperate with one another with new resolve to protect the country's security by themselves, using their wisdom, and to successfully host the Asian Games.

Commenting, Hong Sa-tok, spokesman of the New Korea Democratic Party, stated that he was astonished at the occurrence of such an incident at Kimpo International Airport, which was heavily guarded against maneuvers to hinder the Asian Games. He urged the government to take satisfactory measures to disclose the background of the barbarous act at the earliest possible date.

In a statement, Choe Yong-han, spokesman of the Korea National Party, remarked that the explosion of a bomb at Kimpo airport was similar to the barbarous act committed in Rangoon and that he was astonished and enraged by this incident. Spokesman Choe Yong-han urged government authorities to quickly disclose the truth of the recent incident, to thoroughly denounce, on behalf of the 3 billion Asian people, the wicked and barbarous act of the North Korean puppets or by impure elements, and to take preventive measures to safely and successfully host the Asian Games.

#### Security Tightened

SK150220 Seoul Domestic Service in Korean 0100 GMT 15 Sep 86

[Text] Following the bombing incident at Kimpo airport, the National Police Headquarters today instructed concerned officers to block any obstructive maneuvers of the puppet North or impure leftist-leaning elements by tightening security for the safety of athletes participating in the '86 Asian Games and for the protection of facilities concerned, such as the sports grounds.

The National Police Headquarters urged in this instruction that areas inside and outside major facilities, and various types of buildings should be searched as a whole, and that at the same time, areas inside of concerned facilities and buildings, manholes around them, sewers, trash cans, vending machines, kiosks, ashtrays, flower pots and gardens, public toilets, and other places deemed to be weak in terms of security should be checked and searched more than twice daily.

The National Police Headquarters also instructed concerned officials to increase the number of guards and security officers in places deemed to be weak in terms of security, to allocate certain areas to security officials with a sense of responsibility, and to be thorough when transferring responsibility during shift changes. It was further stated that passages to concerned facilities and buildings should be manned by security officials around the clock and patrols around these areas should be tightened, while at the same time, suspicious passers-by should be thoroughly checked.

The National Police Headquarters also instructed that people going in and out of the athletes' village should be rechecked, even if they carry identification cards or similar registration cards, if they are acting suspiciously.

In addition, the police headquarters ordered the thorough examination of foods delivered to the athletes' village to determine whether they are sealed or not, and for security personnel to stand by when foods are distributed to the athletes in order to prevent accidents from happening.

#### Asian Countries Reassured

SK150311 Seoul Domestic Service in Korean 0100 GMT 15 Sep 86

[Text] In connection with the bombing incident at Kimpo airport, the Foreign Ministry sent urgent cables to all overseas missions to explain the bombing incident and instructed missions in Asian countries which have not yet sent their athletes to Seoul for the Asiad to assure them that the bombing incident will have no impact at all on the Asiad and to make sure that they understand this.

In this cable, the Foreign Ministry instructed the missions overseas to specifically assure the governments of the countries where they are stationed that the athletes already in Korea are safe and protected by the Korean Government, which is making every effort possible for their safety.

#### Government, DJP Meetings Held

SK150257 Seoul YONHAP in English 0241 GMT 15 Sep 86

[Text] Seoul, Sept. 15 (YONHAP) -- The South Korean Government and the ruling Democratic Justice Party held separate meetings Sunday evening to discuss steps to take in the wake of the bomb blast at Kimpo International Airport Sunday afternoon. Five persons were killed and 19 injured in the bomb blast on Sunday afternoon.

A government spokesman said that the government will do its utmost to thoroughly investigate the bomb blast and will deal with the situation in part by strengthening security to prevent the incident from affecting the Asian Games.

Following an emergency meeting of related government ministers, the spokesman said the terrorist bomb blast is believed to have been carried out by North Korean agents or by those instigated by North Korea, which is apparently determined to sabotage the Seoul Asian Games, slated for Sept. 20 to Oct. 5.

The emergency meeting, chaired by Prime Minister No Sin-yong, also dealt with ways to boost security at various facilities, including the Asiad village. Among those attending the meeting were the ministers of foreign affairs, home affairs, national defense, sports, transportation, and culture and information.

Before the meeting began, No went to the airport and asked the relevant officials to swiftly restore the damage caused by the blast. He was accompanied by Justice Minister Kim Song-ki, Sports Minister Yi Se-ki and Transportation Minister Cha Kyu-hon.

In a meeting of senior party leaders, the ruling Democratic Justice Party concluded that the bomb incident was conducted in a move to obstruct the successful staging of the Asian Games. The DJP leaders also decided to strongly counter such "barbarous acts of violence." The meeting was chaired by DJP Chairman No Tae-u.

In a statement, DJP spokesman Sim Myong-po said that Sunday's blast at Kimpo caused indignation and astonishment not only to the Korean people but to all peace-loving people. The spokesman said that North Korea, which committed the barbarous act of terror in an effort to sabotage the Asian Games, deserves to be condemned by all the peace-loving people of the world. The DJP statement said that the government should redouble its security efforts to prevent similar incident from occurring in the future.

The opposition New Korea Democratic Party (NKDP) and the Korea National Party (KNP) issued similar statements. The NKDP said that the government should thoroughly investigate the blast and take steps to ensure that the incident not affect the Asian Games.

#### Ministers Issue Statement

SK151340 Seoul Domestic Service in Korean 1200 GMT 15 Sep 86

[Joint statement issued on 15 September by the ROK home affairs minister, justice minister, and defense minister; read by Justice Minister Kim Song-ki -- recorded]

[Text] Dear people: The government thinks it very regrettable that the bombing incident, which took place at Kimpo International Airport on 14 September, only 6 days before the opening of the 10th Asian Games, brought about the loss of precious human lives and troubled the people.

First of all, the government will redouble its efforts to thoroughly clarify the truth of the incident, to clarify its background, and to prevent such an incident from recurring.

The bombing incident is thought to be an antinational atrocity perpetrated by a spy of the puppet North or by an impure left-leaning element instigated by it to block the Asian Games by resorting to all means and method. This incident, whose occurrence we have worried about and which is a realistic manifestation of the puppet North's boast that it will hinder the Asian Games, is further increasing national indignation and apprehension.

As is well known, the government, with heavy, pressing state tasks on its shoulders, has made all-out efforts for social stability with the cooperation of the people. In the future, the government will also take strong and resolute measures against the maneuvers of impure forces at home and abroad to impede the successful holding of the Asian Games and affect social stability.

From now on, the government will mobilize all police forces to strongly counter the impure forces' rash act of disturbing public order and causing social chaos by perpetrating antistate maneuvers and direct or indirect subversive activities under any pretext. To this end, it will strengthen control over and punishment for using all kinds of explosives, molotov cocktails, and illegal weapons, whose use is aimed at social disturbance, until these devices are rooted out by strictly applying the laws concerned to them.

In particular, the government plainly makes clear that, by paying grave attention to the fact that molotov cocktails arbitrarily used by radical left-leaning elements within and outside campuses have recently been used for rural guerrilla-style subversive maneuvers and antisocial terrorist activities, it will regard acts of manufacturing, possessing, delivering, and throwing them as acts benefiting the enemy and will strictly punish such acts from now on.

As you well know, molotov cocktails, which radical students involved in on-campus demonstrations have used without exception as fighting tools in street demonstrations, the seizure of public buildings, the destruction of furniture and equipment, and arson, have already been utilized as weapons for murder, injury, arson, and subversion, and are in reality used as a weapon to attack tanks by the army in case of an emergency. In this way, molotov cocktails belong to the category of weapons which can kill or injure human beings and animals. For this reason, the government is convinced that the people will also extend cooperation in rooting out the use of molotov cocktails.

In defiance of the puppet North's atrocities, which enrage men and heaven, and whatever maneuvers the impure elements use to obstruct the Asian Games, the government will successfully hold, without a hitch, the games to be held 5 days from now.

Since it is difficult to realize substantial preparations for and the successful holding of the games, which can be called a festival of 300 million Asians, only with the efforts of the sports-related organizations and the government, our people's voluntary participation and cooperation are regarded as most important. It is believed that all people should pool their strength in smashing the maneuvers of impure elements seeking social disturbances.

In particular, the government urges the political parties, social organizations, and other walks of life to exemplarily participate in maintaining social stability and public order and render cooperation to this end during the Asian Games; and the government also calls on our students, who should engage in studying, to restrain themselves from using explosives such as molotov cocktails and from committing turmoil by recognizing the historic importance of the Asian Games once again and by displaying genuine patriotism so that the games will be successfully concluded.

In conclusion, the government again appeals to the people to be alert against antistate terrorist activities of impure forces at home and abroad and, at the same time, to render active cooperation by giving play to national potentials and by displaying their pride so that the Asian Games, which are directly linked to the successful holding of the 1988 Seoul Olympics, can be excellently hosted.

CGDK PRESENCE AT INTERNATIONAL MEETING PROTESTED

BK120420 Phnom Penh SPK in English 1114 GMT 9 Sep 86

[Text] Phnom Penh, 9 Sep (SPK) -- Kong Korm, first deputy foreign minister of the People's Republic of Kampuchea, has vehemently protested against the presence of the representatives of the so-called "Coalition Government of Democratic Kampuchea" at the 10th international conference of [the] permanent committee for diffusion and inventions. In a message to [the] president of the conference, Kong Korm said: "As everybody knows that that 'coalition government' is in fact a monstrous clique which has systematically destroyed Kampuchea's economic and social infrastructures, massacred millions of Kampuchean people and deceived the public opinion by styling itself the representative of the Kampuchean people who have overthrown it since early 1979."

SPK COMMENTS ON BEIJING SUPPORT FOR CGDK LEADERS

BK121244 Phnom Penh SPK in English 1118 GMT 12 Sep 86

[Text] Phnom Penh SPK September 12 -- After their failure in the attempt to get the Kampuchean seat at the 8th Summit of the Non-Aligned Movement, Sihanouk, Son Sann and Khieu Samphan were summoned to Beijing from Sept. 7-10 for appeasement by their masters.

Truly, their bosses have made greatest efforts in this. All the top party, state and government leaders in Beijing, including the number one figure Deng Xiaoping, have tried their best to breathe life into their henchmen, slander against the People's Republic of Kampuchea, the Socialist Republic of Vietnam and the Soviet Union. Nobody is surprised at their deed because they only repeated their worn-out contentions on the withdrawal of the Vietnamese troops, the so-called "Eight point proposal," etc.

But Beijing's stubbornness in beefing up the genocidal Pol Pot clique is in sharp contrast to the three Indochinese countries' clear and well-meaning stance on finding a political solution to the Kampuchean issue and the question of peace and stability in Southeast Asia as confirmed once again at the recent 13th conference of the three Indochinese foreign ministers. It is also a challenge to the world public opinion which has strongly demanded the elimination of the genocidal Pol Pot clique.

By refusing to abandon the genocidal Pol Pot clique and instead pouring more money and weapons for them in their attempt to sabotage the Kampuchean people's rebirth, the reactionary ruling circles in Beijing have once again proved themselves. [sentence as received]

All their efforts in the past seven years have proved to be futile, and their efforts this time, though greater, will certainly come a cropper. Over the past seven years, their lackeys have proved themselves to be useless. The more defeats they met with the more acute their desperation was.

So, how could Mr Deng's call for "greater unity" and "cooperation" as well as all his promises restore the sinking morale and the unity of the three factions which were once each other's enemy. The clear answer in the past seven years has of course not brought round Mr Deng.

By continuing to maintain the Pol Pot clique Beijing aims not only at using them as a tool to massacre the Kampuchean people but also at undermining peace and stability in Southeast Asia. Australian Foreign Minister Bill Hayden has put forth a correct proposal, that is to set up an international court to sentence the genocidal Pol Pot clique. Everyone knows that who have stood behind the Pol Pot gang and that the Pol Pot regime is a fatal mischief for the Kampuchean. [sentence as received] [Words indistinct], with their expansionist and hegemonic interests, are running counter to the trend of dialogue prevailing in the relations among nations.

Anything [that] runs counter to the common trend will sooner or later goes bankrupt.

The Kampuchean people's just cause has enjoyed strong sympathy and wide support from the world public opinion. The decision made by the Harare summit attended by 101 countries and movements to leave vacant the Kampuchean seat is the victory of the Kampuchean people in particular and the three Indochinese peoples in general, and of the special relationship of militant solidarity of the three fraternal nations on this peninsula. The success of the recent visit to a number of socialist countries in East Europe by the National Assembly delegation of the People's Republic of Kampuchea led by Chairman Chea Sim has been another evidence for the fraternal countries' strong support for the Kampuchean people.

#### VODK COMMENTARY HAILS LEADERS' VISIT TO PRC

BK140154 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 13 Sep 86

[Station commentary: "The Democratic Kampuchean Delegation Has Concluded Its Visit to the PRC Successfully"]

[Text] The high-ranking Democratic Kampuchea delegation led by Samdech Norodom Sihanouk, president of Democratic Kampuchea; His Excellency Son Sann, prime minister of the CGDK; and His Excellency Khieu Samphan, vice president of Democratic Kampuchea in charge of foreign affairs, successfully concluded its visit to the PRC on 10 September.

During this visit, our delegation held talks and conversed with His Excellency Zhao Ziyang, premier; His Excellency Li Xiannian, president of the PRC; His Excellency Hu Yaobang, CPC general secretary; and His Excellency Deng Xiaoping, chairman of the CPC Central Advisory Commission. During this talks and conversations, our DK delegation informed the friendly Chinese leaders of the all-round development of our struggle against the Vietnamese aggressors, particularly the situation on the battlefield which has become more favorable to our struggle, and of the firmer and more splendid unity and cooperation of the CGDK's three patriotic forces both in the military and diplomatic fields. Our delegation also conveyed the profound thanks and sincere sentiments of friendship of the Cambodian people and the three patriotic armed forces to the Chinese Government and people, our brothers and comrades-in-arms who have firmly and unswervingly supported and given all kinds of aid to the Cambodian people and the CGDK.

The Chinese leaders expressed their elation over the all-round development of our struggle against the Vietnamese aggressors and the firm and intimate unity and cooperation of our CGDK's three patriotic forces.

They expressed their conviction that the just struggle waged by our Cambodian people under the CGDK's leadership would certainly score final victory over the Vietnamese aggressors. They reiterated their firm support for our Cambodian people's just struggle against the Vietnamese aggressors. Zhao Ziyang said: The Chinese Government and people regard support for the Cambodian people's just struggle as an internationalist duty that must be fulfilled and the Cambodian people's struggle and victories as their own. We will support the Cambodian people's struggle through to the end.

Zhao Ziyang went on: The CGDK's 8-point proposal constitutes a basis not only for settling the Cambodian problem through political means but also for achieving national unity in the future.

Li Xiannian said: China resolutely supports the Cambodian people's just struggle until final victory. After Cambodia is liberated, we will support the Cambodian people in building an independent, peaceful, neutral, and nonaligned Cambodia. China definitely will not interfere in Cambodia's internal affairs. China will never seek a sphere of influence in Cambodia. China's sphere of influence stays only in the 30 provinces, municipalities, and autonomous regions within its boundaries.

Hu Yaobang said: Since the first day that Cambodia began its struggle, the Chinese Government and people have declared clearly that they will resolutely stand by the Cambodian people's side because this is a matter of principle involving the diplomatic policy of a country. This is why we have no other choice but to give unswerving support to the Cambodian people's just struggle.

Concerning the CGDK's 8-point peace proposal, Hu Yaobang said: This proposal is very magnanimous toward Vietnam. Vietnam is the criminal because it has waged a war of aggression against Cambodia. But, the CGDK's 8-point proposal neither demands punishment of war criminals nor seeks war compensation from Vietnam but stresses its desire to restore good relations with Vietnam after it withdraws its aggressor troops from Cambodia. Through all this, the whole world should realize that the CGDK has been very magnanimous toward Vietnam.

Deng Xiaoping said: China's support for the CGDK's three patriotic forces is firm, unconditional, and permanent.

During talks as well as when our delegation visited any area, the Chinese leaders and people warmly and intimately welcomed our delegation. They expressed their profound sympathy and friendship with our Cambodian people.

Therefore, this visit to China by our DK delegation has achieved brilliant success. This visit has further strengthened and expanded the bond of traditional friendship and militant solidarity between the two countries and peoples and enabled them to understand each other more profoundly.

The Cambodian people, the DK National Army, and all patriotic forces of the CGDK express their warm welcome to and satisfaction with the brilliant outcome of this visit. All of us are encouraged by the Chinese leaders' valuable words of firm and unswerving support for the Cambodian people's just struggle and the CGDK's 8-point peace proposal.

On this occasion, the Cambodian people, the DK National Army, and the CGDK would like to once again express their profound thanks to the Chinese Government and people who in all circumstances have always stood by the side of the Cambodian people in their struggle for national liberation. We are convinced that with the support of China, the ASEAN countries, and the world community, the Cambodian people's just struggle will certainly win.

SRV DIVISION COMMAND IN KOMPONG THOM ATTACKED

BK150123 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 14 Sep 86

[From the "Report From Various Battlefields" feature]

[Excerpt] Kompong Thom Battlefield: On 9 September, our National Army in cooperation with the local people and fraternal Cambodian soldiers launched a two-pronged commando raid against the command headquarters of the Vietnamese enemy's 7701st Division in Kompong Thom Town. The first prong attacked the headquarters of the Division while the second prong attacked its general staff command. After 30 minutes of fighting, we killed 6 Vietnamese enemies, including a division chief of staff; wounded 13 others; and destroyed 5 AK's, 3 B-40's, 2 RPD's, a jeep, a C-46 field radio, 4 large barracks, and some war materiel.

Siem Reap Battlefield: On 9 September, our National Army fired three 107-mm rockets into the Siem Reap Town's market, killing or wounding a number of Vietnamese soldiers and destroying some war materiel. The shelling caused great panic among the Vietnamese enemies in Siem Reap Town. [passage omitted]

PHOUMI VONGVICHIT MEETS OUTGOING SOVIET ENVOY

BK131035 Vientiane KPL in English 0902 GMT 13 Sep 86

[Text] Vientiane, September 13 (KPL) -- Phoumi Vongvichit, Politburo-member of the LPRP CC, vice-chairman of the Council of Ministers, received here on September 12 Soviet Ambassador V. Sobchenko at the end of his six-year term of office. During their cordial talk, they expressed satisfaction at the growing relations of friendship and all-round cooperation between the parties, governments and peoples of the two countries. Phoumi Vongvichit highly appreciated the Soviet ambassador's contribution to the promotion of the friendly ties between Laos and the Soviet Union during his term of office here.

## Sobchenko Bids Farewell

BK150301 Vientiane Domestic Service in Lao 0000 GMT 15 Sep 86

[Text] Nouhak Phoumsavan, member of the LPRP Central Committee Political Bureau and first vice chairman of the Council of Ministers received Vladimir Sobchenko, ambassador extraordinary and plenipotentiary of the Soviet Union to Laos, who called on him to bid farewell after completing his posting of almost 6 years in our country.

In the meeting, which proceeded in a very friendly atmosphere, Nouhak Phoumsavan praised and hailed the achievements of profound significance scored by ambassador Vladimir Sobchenko in carrying out his diplomatic work during the past 6 years, achievements which have positively contributed to further developing and strengthening the time-honored relations of great friendship and all-round cooperation between the two countries.

Vladimir Sobchenko expressed hearty thanks to the party, state, and people of Laos for the help and cooperation attentively provided to him in performing all his tasks and activities throughout his term of service.

Another report says that Phoun Sipaseut, member of the party Central Committee Political Bureau, vice chairman of the Council of Ministers, and minister of foreign affairs, also received a courtesy call from Vladimir Sobchenko, outgoing ambassador extraordinary and plenipotentiary of the Soviet Union to Laos, who took leave of him on the morning of 13 September. On this occasion, Vice Chairman of the council of Ministers Phoun Sipaseut profoundly praised, hailed, and thanked Ambassador Vladimir Sobchenko for his success in his diplomatic work in Laos. He also once again reiterated the Lao-Soviet solidarity, friendship, and all-round cooperation which have developed with each passing day.

SEMINAR ON ASIAN PACIFIC PEACE HELD

BK131039 Vientiane KPL in English 0904 GMT 13 Sep 86

[Text] Vientiane, September 13 (KPL) -- The U.S. Administration is trying to bring the Asian-Pacific states under its influence, economically and politically, said Thongsavat Yamani, vice-chairman of the State Committee for News Agency, Newspapers, Radio and Television. Speaking at a seminar on Asian-Pacific peace and security opened here yesterday, T. Yamani, who is also acting president of the Lao-Soviet Friendship Association, exposed the U.S. scheme of restricting the socio-political development of "third World countries" and of pressing its allies to increase their defence expenditure in an attempt to weaken the regional states' economic and political status.

In connection with the U.S. neo-global strategy, T. Yamani said Washington is escalating its arms race to force the socialist community to augment its military build-up, a wicked trap to undermine the peace policy of the socialist community.

#### EDUCATION SERVICES STUDY POLITICAL REPORT

BK121532 Vientiane Domestic Service in Lao 0500 GMT 12 Sep 86

[Text] Cadres of education services both at the central and local levels throughout the country are reported to have actively engaged in study sessions to study the Draft Political Report of the party Central Committee, which will be presented to the Fourth Party Congress. Professor Bountiam Phitsamai, acting minister of education, gave an interview to our station reporter on the issue as follows:

[Begin Bountiam Phitsamai recording] In many localities, education cadres of the education services of various districts and provinces, school directors, and school teachers have engaged in study sessions organized by the party and administrative committees in those respective localities. As for in the ministry itself, two study sessions have been organized so far for 1,639 cadres. The first study session was organized especially for leading and key cadres, department directors and deputy directors, chiefs of sections, and directors of the institutes, schools, and factories under the management of the Ministry of Education. The second study session was organized generally for cadres, school teachers and professors, and education functionaries from many offices within the ministry, institutes, schools, and factories.

In these political life campaigns, our education cadres have devoted themselves to profoundly study the Draft Political Report in order to appreciate more deeply the line, policies, and plans of the party. They have positively contributed views to this draft report with a sense of enthusiasm. Relying on their appreciation of the contents of the party Central Committee documents, they have set out to organize political life campaigns among themselves by scrutinizing the work of their respective departments and offices. They have reviewed their past political performance and have commented on and criticized one another with the aim of pointing out strong points for further implementation and weak points for rectification.

After engaging in these study sessions, our education cadres, school teachers, state employees, and education functionaries have come to appreciate more profoundly various issues. For example, they have clearly appreciated and understood the achievements and victories of the Lao revolution under the talented and clear-sighted leadership of the LPRP. At the same time, they have also drawn lessons from the sessions and have managed to identify the remaining weak points and shortcomings of their own and of their departments and services which must be urgently rectified. They have also gained more knowledge and new understanding concerning the reality of our social and economic situation, especially production forces, production relationship, and social structure. They have come to understand the basic economic and social tasks of the bypassing period and the orientation of the economic and social development from now to the year 2000 and that of the Second 5-Year State Plan from 1986 to 1990. They have grasped the direction of the new economic management mechanism. They have also appreciated the direction of party building and cadre training in the new period of the revolution, which are the decisive factors for scoring victories in the socialist transformation and construction in the years to come. They have pledged to train and build themselves along the party so as to serve the revolution, the country, and the people of all tribes to the full. [end recording]

LPA DIVISION B STUDIES POLITICAL REPORT

BK130356 Vientiane Domestic Service in Lao 0430 GMT 11 Sep 86

[Text] Implementing the Army General Political Department's instructions given to commanding cadres and officers and men to study and contribute views to the LPRP Central Committee's draft political report, Division B held a training course from 30 June to 15 July for its commanding cadres and officers and men to study the draft political report. Attending were more than 800 officers and men.

Through the study course, the officers and men have clearly understood the all-round achievements recorded in the past 10 years and the party's national defense and public security line for the new period. They also drew lessons gained in the past and were aware of their remaining weaknesses which will be corrected. The officers and men are currently striving to score achievements to welcome the forthcoming Fourth Party Congress.

Army Unit Studies Report

BK130404 Vientiane Domestic Service in Lao 0430 GMT 12 Sep 86

[Text] The commander of Battalion F of Oudomsai Province organized a study course between 20 and 25 July for more than 30 party members and cadres attached to the battalion to study and contribute views to the party Central Committee's draft political report. In addition to studying and contributing views to the draft report, the participants studied a report summing up work in the 1st half of 1986 and the orientation and plan for the 2d half of the same year.

On 20 August the provincial military command also held a course for more than 150 cadres and combatants to study the party Central Committee's draft political report.

CHAWALIT ON ARMY MODERNIZATION, 'THREATS'

BK141430 Bangkok NAE0 NA in Thai 14 Sep 86 p 10

[Army Commander in Chief General Chawalit Yongchayut's address to a dinner gathering of the Foreign Correspondents Club of Thailand at Dusit Thani Hotel on 11 September; "rendered into Thai" by NAE0 NA]

[Text] Ladies and gentlemen. I am speaking without paper in my hands tonight, because I am speaking as a friend to all of you present here. The topic of tonight's address is the development and modernization of the Army. I realize that most of you here do not care much to listen to such a topic. I will therefore spend only about 30 minutes on the topic and then give you a chance to ask questions.

First of all, I must say that my English is very poor. I went to the United States 33 years ago to study electronics. Back then we had to queue up for school lunch. There was a woman behind the counter; she asked everyone what they would like to eat. When it was my turn, I asked for tuna salad and steak. She said, "sorry sir" because she could not understand what I told her. I repeated to her "steak please." Everybody stared at me. I then shouted to her "hot dog please." (laughter) She said: "Okay, next person please." (laughter) I had to eat hot dogs for 6 months. That's a true story.

Okay, I do not think I will have to eat hot dog again tonight.

Let me embark on the subject of modernization of the armed forces. Each unit of the armed forces must think about this. Modernization of the armed forces involves many factors.

First we must define the "threats" to our country. Each country has its specific problems. As for Thailand, threats to the country mean threats against national independence and security. They can present themselves in various forms. For some, threats to the country may include anything endangering the political, economic and social stability of the country.

We must be careful regarding this. Based on the above criteria, we must hold the United States as our enemy at present because its dumping of 50,000 tons of sugar is causing trouble for us. The Americans have the right to do so, while we must do whatever we must to protect our interests, too. Please be assured that all Thai people consider the United States our best friend.

If we talk about military threats, we do not have any external threats at present. We realize that Vietnam is trying its best to remain in Cambodia. ASEAN meanwhile believes that a negotiated peace should be achieved. But if we comply with Vietnam's demand for the removal of the Khmer Rouge from Cambodia, we may have to listen to its call for a removal of Son Sann's Khmer Serei faction later on, and finally Vietnam may want an expulsion of all the Cambodian people from their own home. It is therefore difficult for us to comply with Vietnam's wishes. Still, we do not think of Vietnam as our enemy.

The greatest concern for Thailand at present comes from the south. There has been a report that Australia will shift to a new strategy and withdraw itself from the Southeast Asian continent in order to concentrate on protecting its own island. We are very worried about it. We are also worried about the split between New Zealand and ANZUS, as well as the rift between Indonesia and Australia, both our friends.

These events would leave a vacuum to our south. You may realize that we have a vacuum on our east too. We are on the frontline next to the socialist states of Indochina. Although we do not think that they are our enemy, we still do not know what is in Pham Van Dong's mind.

Most people see such threats surrounding Thailand, but for me I still do not want to draw any conclusions. We are trying to be friends with all countries. Please understand our line of thinking. Now let me talk about another factor. We think that we have no external threats at present. We have a good understanding of our friends in Vietnam, and we hope that one day they will withdraw from Cambodia and settle the problem through peaceful means. As for the Cambodian resistance forces who are fighting for independence, they are also trying their best. In 1978-1979, the non-communist groups had only 5,000 men. Now they are 18,000 strong and fighting hard. Eight years ago their activities were limited to the border area near Thailand. Now they are fighting deeper inside Cambodia -- as far as Phnom Penh and other big cities. We used to have many problems at our border. Now the border situation has improved.

Well, I do not mean to say that our Vietnamese friends behave themselves better now. What I mean is that they have not expanded the opportunities. What I would like to tell all of our distinguished guests here is that the Cambodian people will fight to the last man. I have great confidence in them. That is why I do not think other people can solve the problem for the Cambodians. This is our firm conviction at present.

Distinguished guests, you may think that the Thai people, government, and armed forces have made great accomplishments over the past several years. I am concerned, however, because conditions still exist which are threatening, which encourage our people to join the communists in the jungle. The communists are always trying their best to exploit our weakpoints and achieve their goals through their front strategy.

In fact, the theory of front advocated by our good friend Mao Zedong is hard to understand, even for the Chinese themselves. They struggle to win power through the armed struggle and the front tactic. At present, conditions are very conducive for their front tactic, and they have been exploiting them to the fullest and have achieved successes. We must therefore adjust our struggle strategy. This is easy to understand. We must know how to reorganize our strategic organization for struggle. We must expand our strength and make it greater than theirs.

This is difficult. I am not very pleased with the success we have made. We must think of new approaches and theory for our struggle. We are also concerned about our friends in the Philippines, Indonesia, and Malaysia. In the Philippines, the (communist) problem is serious at present. As friends, we must try our best to help them if we are requested. The same with Malaysia. I think the problem (communist threat) still exists in the ASEAN countries.

Concerning the development of the Army, I think it is necessary in order to counter possible threats from outside. Our national defense budget is high compared to the gross domestic product. In 1978-1979 -- I like to refer to this particular year because there was a great deal of change in this part of the world then -- our GDP increased only 2 percent while our defense budget rose by 8.5 or 8.6 percent. Our defense budget now stands at 3.5 percent of the GDP.

Concerning the development of the Army, there are four or five problems we must pay attention to: manpower, training, weaponry, and structure. In order to achieve systematic development, we must carry out measures to improve the four simultaneously. This is difficult as it all involves the army structure. We need money. Presently we spend 20 percent of our budget on salaries. We therefore must cut down our expenses in this area. This is what we have already said about reducing the size of our army while making it more competent. We could save about one billion baht by trimming the size of the Army, and we could spend that money in other areas. That is all I have to say today.

CHAWALIT VIEWS BOMB THREATS, PREM MEETING

BK130130 Bangkok BANGKOK POST in English 13 Sep 86 p 3

[Text] Army Commander-in-Chief General Chawalit Yongchayut yesterday promised stern action against perpetrators of bomb threats.

Police and military intelligence officers are investigating two bomb threats made early this week against the Government House and the Agriculture Ministry.

Gen Chawalit asserted without naming names that a group of "irresponsible people whose personal interests have been hurt" was behind the bomb threats.

The Army chief said he was upset but did not think these bomb threats would affect the country's political stability.

However, he said such threats could cause panic and might hurt the economic situation.

The general then appealed for an end to all forms of violence for the sake of the nation.

Gen Chawalit called on Prime Minister Prem Tinsulanon at his Si Sao Thevet residence yesterday morning.

Prem was concerned about the Army chief's safety. Gen Chawalit was involved in two Army helicopter accidents on Tuesday and Wednesday but escaped unhurt.

The Army chief said Gen Prem wanted the Army to improve the maintenance of its helicopters.

Gen Chawalit said he also sought Gen Prem's opinions on the Army's modernisation plan.

He praised Gen Prem for his "extensive experience in military affairs and wide-ranging interests in the technical problems the Army faces."

On the upcoming reshuffle of Army officers from the rank of colonel downward, Gen Chawalit said he allowed commanders of the army regions, divisions, regiments and smaller units to pick their own men and submit their names for him to review.

Gen Chawalit expects the list to be announced by mid-October.

PAPER CRITICIZES U.S. 'PHOBIA' TOWARD IMPORTS

BK151022 Bangkok SIAM RAT in Thai 14 Sep 86 p 2

[Unattributed article]

[Text] Thailand's great ally, the United States, shows more of its fangs with each passing day. In the first 6 months of 1986, U.S. rice exports deprived Thailand of 4 billion baht in rice export income, and this had grave effects on Thai farmers. Thailand tried to appeal to the U.S. Government for help, but the latter claimed that there appeared to be little impact, if any, on Thai rice exports.

After having dealt Thai rice exports a heavy blow, the United States has launched a new game, this time against Thai corn, by cutting prices below production costs and then nonchalantly taking away major buyers of Thai corn. The domestic price of Thai corn immediately dropped to only 1.30 baht per kilo, really victimizing corn growers. But this was not enough, the United States then dumped 150,000 tons of sugar by selling to China at only half of the world price. Thailand has appealed to no avail to the United States to slow down sales for the sake of a friend. The United States reportedly will dump another 200,000-250,000 tons of sugar. On this subject, the U.S. ambassador merely said Thai sugar was too expensive.

Such U.S. acts of vengeance against major Thai exports have not been limited to rice, corn, and sugar; a long list of Thai industrial products are waiting to go on the slaughter line, beginning with textile products. The United States had hoped to knock Thai textiles out of its market through the Jenkins Bill, but President Reagan had to veto it as a result of pressure from many foreign governments. However, the United States has not given up, and it will not be long before new measures are formulated to deal with Thai textiles.

Ceramic tiles will be next on line to be slaughtered. Some 400 trade protectionist bills against imports reportedly await U.S. congressional action. Former Foreign Minister Thanat Khoman has said that passage of these bills will cripple the Thai economy and completely stunt its growth. Thanat said the U.S. Congress has been afflicted by a phobia, striking indiscriminately against friends or foes.

Both the Thai public and private sectors and the Thai people are very disappointed with the United States because we have always regarded it as our friend both in good times and bad. Thailand has appealed as a friend to the United States to limit measures that strongly affect the Thai economy, only to hear that the U.S. was sorry and the measures were not intentional; after which it continued to launch more campaigns against Thai products.

The U.S. phobia has victimized various agricultural countries, and having failed to talk sense into the United States, these countries agreed to bring the matter up in GATT. The United States has challenged these countries by again reducing its rice prices just 5 days before the GATT meeting. It has also resorted to a new tactic, announcing that it will not participate in the GATT meeting if the meeting does not put the subjects it wants to discuss on the agenda. It wants to discuss a number of subjects, but one which adversely affects developing countries is the U.S. call for international laws to protect U.S. patents on goods ranging from toilet paper to space vehicles. This means that developing countries will have to pay royalties for every U.S. product they copy. The result of this is that it will make developing countries unable to stand on their own feet.

Yes, the United States has indicated to Thailand that it will relax its measures against Thai agricultural export markets and Thai industrial exports to the U.S. if Thailand agrees to protect U.S. patents. This is a fair exchange of benefits, says the U.S. But it is nothing more than blackmail by a bully.

U.S. fangs have been increasingly evident with every passing day. As for why more and more people have come to hate the United States, the answer is because a phobia has hit it -- making it bite everyone, friend or foe.

NO ACTION TAKEN ON U.S. DRUGMAKERS PATENTS

BK120936 Bangkok Domestic Service in Thai 0000 GMT 12 Sep 86

[Text] Public Health Minister Thoetphong Chaiyanan told reporters at the National Assembly building yesterday about the request made by U.S. drug manufacturers to patent their products imported by Thailand to prevent the copying of their products. The minister said that there are no patent rights for medicines in Thailand; and after having consulted officials concerned, the Public Health Ministry deemed it improper to take any action in this regard; besides, some of the drugs on the list requested by the U.S. manufacturers could be produced locally.

Asked about the regulation which requires drug stores to hire full time pharmacists, the minister replied that this regulation will be relaxed until the end of September. He added that drug stores are already prepared to comply with the law.

PHAM VAN DONG COMMENTS ON USSR PEACE PROPOSALS

OW141638 Hanoi VNA in English 1559 GMT 14 Sep 86

[Text] Hanoi VNA Sept 14 -- Pham Van Dong, Political Bureau Member of the Communist Party of Viet Nam Central Committee and chairman of the Council of Ministers, has granted an interview to the national daily NHAN DAN on the new Soviet peace initiatives. Following are questions and answers:

Question: Since August 1985, the Soviet Union has many times extended its unilateral nuclear moratorium. What do you have to comment on the significance of such a decision.

Answer: To firmly preserve world peace and to save mankind from the catastrophe of an extermination nuclear war are always the noblest and highest concern of the Soviet party, government and people.

Over the past more than eight months of 1986, the International Year of Peace, the Soviet Union has repeatedly put forth new initiatives of utmost importance. The especially important statement made by Comrade M.S. Gorbachev, general secretary of the Communist Party of the Soviet Union Central Committee [CPSU] on January 15 on an overall program to totally eliminate nuclear weapons by the year 2,000 as well as a series of recent Soviet initiatives aimed at reducing and gradually abolishing other kinds of mass destruction weapons and consolidating peace, security and cooperation in Europe and the Asian and Pacific region, have opened to mankind great hopes in the future of a nuclear-free world and the prospect in which mankind is eternally rid of the danger of a nuclear holocaust.

Nuclear test ban is one of the foremost conditions to prevent the manufacture of new nuclear weapons, the perfection of the nuclear arsenals and a new arms race, thus step by step reducing the danger of a nuclear war.

Since August this year, the Soviet Union has four times officially announced extension of unilateral moratorium on nuclear tests. The great significance of this decision has been explained clearly in Comrade Mikhail Gorbachev's statement of August 18 and in his recent interview with the editor-in-chief of the Czechoslovak paper "RUDE PRAVO". The Soviet Union's decision to continue prolonging its unilateral moratorium on nuclear tests till January 1st, 1987 is not only an act of good will but also a demonstration of courage and a high responsibility toward mankind.

The courageous act of the Soviet Union has received wide support from progressive people across the world, particularly of the leaders of the "Delhi six" and the 8th Summit of the Non-Aligned Movement held recently in Harare, capital of Zimbabwe. In response to this highly responsible act of the Soviet Union, the United States is continuing with its nuclear tests, seriously challenging progressive opinion in the world.

Having fallen victim to imperialist wave of aggression over the past three decades and more, the Vietnamese people, more than any other peoples, understand the value of peace and are determined to struggle for peace for all nations. I take this opportunity to once again affirm the unwavering resolute support of the party, government and people of the Socialist Republic of Vietnam for the important peace initiatives of the Soviet Union, including its decision to continue its unilateral moratorium on nuclear tests. We call on the United States and the other nuclear powers to follow the Soviet example by halting all nuclear explosions, stopping the arms race on earth and refraining from taking it to outer space so as to preserve the peaceful life on our planet, the common home of all of us.

Question: In his interview with the editor-in-chief of RUDE PRAVO of Czechoslovakia on September 8, Comrade Mikhail Gorbachev, general secretary of the Communist Party of the Soviet Union Central Committee, spoke about the coming summit meeting between the USSR and the United States. What is your opinion on this issue?

Answer: The Soviet Union has made it clear that the coming Soviet-American summit must achieve a concrete result which would mark a clear step forward in the settlement, even of one or two issues concerning international security, with the aim of improving the relations between the Soviet Union and the United States and reducing tension in the world. We welcome the principled stand and goodwill attitude of the Soviet Union with regard to this summit meeting which has once again been strongly reaffirmed in Comrade Mikhail Gorbachev's interview with RUDE PRAVO. On the contrary, the United States has said one way and acted in another. It said it wanted to have an early summit, but it has continued with its nuclear explosions and continued to take the arms race into outer space, sticking to the outmoded policy of gaining military supremacy over the Soviet Union. We call on the United States, a nuclear power in the world, to have a serious attitude so that the USSR-USA summit meeting may materialize and achieve positive results.

NHAN DAN HAILS USSR SECURITY TALKS PROPOSAL

OW130845 Hanoi VNA in English 0715 GMT 13 Sep 86

[Text] Hanoi VNA Sept 13 -- The proposal made by the Soviet Union and other socialist countries to discuss the establishment of a common system of international security at the coming session of the United Nations General Assembly demonstrates their consistent policy and also their sincere hope that peaceful coexistence become the common norm accepted and respected by all, says NHAN DAN in a commentary today.

The paper goes on:

"The establishment of a common system of international security is not a simple process, for security must prevail in all fields of international relations. All sober-minded persons know that the most important thing to ensure a secure world is disarmament, elimination of the danger of war and eventually abolition of all weapons. There lies actually the great significance of the overall program to eliminate nuclear weapons by the end of the century put forth by Soviet Party General Secretary Mikhail Gorbachev in his Jan 15, 1986 statement as well as in many other peace initiatives of the Soviet Union including its decision to prolong its moratorium on nuclear tests and its call upon the U.S. to do the same".

The Vietnamese people demand that the United States Government change its way of thinking and opt for a realistic and responsible policy toward the future of this planet, NHAN DAN says.

"They support the Soviet Union's stance on the convening of a new Soviet-U.S. summit which should mark a clear step forward in the settlement of even one or two major issues of international security," the paper says in conclusion.

NHAN DAN CITES PRC POLICY OF 'HOSTILITY'

OW140739 Hanoi VNA in English 0701 GMT 14 Sep 86

[Text] Hanoi VNA Sept 14 -- "The recent gathering of the reactionary Khmer factions in Beijing pointed to the Chinese authorities' stubborn policy of confrontation and hostility against the Kampuchean people and the people of the three Indochinese countries as a whole" says NHAN DAN in a commentary today.

The paper says: "After the failure of the 'eight-point proposal' farce staged in Beijing half a year ago, the Chinese authorities recently summoned the leaders of the reactionary Khmer factions to give them new instructions. During this meeting they did the following things:

"First, on the basis of their 'commitment to extend resolute, unconditional and long-term support' to the genocidal Polpotists and the other Khmer reactionaries, the Chinese rulers provided them with more dollars and weapons, urging them to commit more crimes against the Kampuchean people. This is a serious act, showing that the Chinese authorities are still pursuing a military solution to oppose the revival of the Kampuchean people so as to materialize their scheme of big-nation hegemonism and expansionism. They have not reconciled themselves to the lessons of the past eight years and are frantically breathing life into the Polpotists with the illusion of enabling them to reverse the irreversible situation in Kampuchea. They have also turned a blind eye to the goodwill peace proposal of the three Indochinese countries, trying to use the language of arms to impose their will on a whole nation and use the genocidal Polpotists as a means for confrontation. They still want confrontation, not dialogue.

"Secondly, they continue to advertise the so-called 'eightpoint' proposal which has been rejected by world-wide public opinion. The core of that proposal is the abolition of the People's Republic of Kampuchea and the restoration of the Polpotists, something they have failed to achieve by military means over the past eight years and will fail to in the coming period despite their additional supply of money and weapons for the Khmer reactionaries. Such things are absolutely contradictory to morality and the realities in Kampuchea. They also prove that the Beijing authorities still stubbornly commit themselves to supporting the Polpotists, sticking to the policy of using them as a means to oppose the three Indochinese countries and sabotage stability and security in Southeast Asia.

"Thirdly, the Chinese authorities again loudly blared their demand that 'Vietnamese troops withdraw from Kampuchea'. This replay contains nothing new. It only sheds more light on their absurd attitude. It proves that they have never wished to see a proper solution to the Kampuchean issue. While persistently demanding that Vietnam withdraw its troops, they have increased their supplies to the Polpotists so as to help them intensify their criminal acts. By refusing to stop nurturing and controlling the genocidal culprits, they still nurture the illusion of restoring the genocidal regime in Kampuchea.

"The stance of the three Indochinese countries, as expounded in recent conferences of their foreign ministers, is clear and correct and is winning support from more and more nations and governments. The stance draws a clear line between the national and international aspects of the Kampuchean issue and puts forth solutions to both aspects. Public opinion in the region and elsewhere in the world is well aware that the elimination of the genocidal Polpotists is an unquestionable necessity. At present, if all the parties concerned agree that the two fundamental questions are the withdrawal of Vietnamese troops and the elimination of the Polpotists, it is possible right now to start negotiations on plans to settle those two questions so as to reach a political solution to the Kampuchean issue in the interests of lasting peace and stability in Southeast Asia.

"By stubbornly demanding that Vietnam withdraw its troops while refusing to give up their efforts to nurture and use the Polpotists, the Chinese authorities are intentionally putting up a big obstacle to the search for a political solution on Kampuchea.

"Such a policy is the cause of the present tense situation in Indochina and the region, and the main obstacle to peace and stability in Indochina and Southeast Asia. In response to the goodwill and constructive stance of the three Indochinese countries, the Chinese authorities have chosen a very negative stand and attitude which run counter not only to realities and the aspiration of world-wide public opinion but also to the interests of the peoples in the region, including the Chinese people.

"The revolutionary cause of the Kampuchean people is progressing firmly. The situation in Kampuchea is irreversible. The militant solidarity between Vietnam, Laos and Kampuchea is as firm as a steel bastion. The friendship and comprehensive cooperation of the three Indochinese countries with the Soviet Union and the other fraternal countries in the socialist community are unshakable.

"However stubbornly they may sustain the genocidal Polpotists and the other Khmer reactionaries and whatever divisive and slanderous tricks they may use against the three Indochinese peoples, the Chinese authorities cannot avoid failure".

#### TRUONG CHINH MEETS NGUYEN HUU THO ON RETURN

OW131528 Hanoi VNA in English 1458 GMT 13 Sep 86

[Text] Hanoi VNA Sept 13 — The Vietnamese delegation led by Nguyen Huu Tho, vice-president of the State Council and chairman of the National Assembly, returned here today after attending the 8th Summit of the Non-Aligned Movement held in Harare (Zimbabwe).

It was welcomed at the presidential palace by Truong Chinh, general secretary of the CPV Central Committee and president of the State Council; Pham Van Dong, chairman of the Council of Ministers; and other senior officials.

Soviet Ambassador to Vietnam D.I. Kachin was also present.

DO MUOI MEETS HON GAI UNION OF COAL ENTERPRISES

BK150520 Hanoi Domestic Service in Vietnamese 2300 GMT 14 Sep 86

[Text] In early September, Comrade Do Muoi, member of the CPV Central Committee Political Bureau and vice-chairman of the Council of Ministers, held a working session with the Hon Gai Union of Coal Enterprises and Quang Ninh Province on the question of stepping up coal production in the final months of the year.

Generally speaking, over the past 8 months the coal sector has made efforts in the production and supply of coal. It is now resolutely struggling to fulfill the 1986 plan for coal exploitation, for dirt and stone overburden removal, and for coal shaft digging. It is especially noted that in the third quarter of 1986, despite numerous difficulties caused by natural calamities, the sector has made remarkable efforts in production. It is now striving to overcome various obstacles to ensure the extraction, selection, water cleaning, and transportation of coal for prompt delivery to various key economic sectors.

Comrade Do Muoi aired his opinions on the need to provide guidance for production and management work and on guaranteeing basic economic units' right to autonomy. This is aimed at ensuring fulfillment of the coal production plan for the 4th quarter of 1986, in particular, and for all of 1986 in general, while making good preparations for the coal production plans for 1987 and ensuing years. Emphasis must be placed on consolidating production organization and renovating leadership methods in accordance with the spirit of the Political Bureau's draft resolution No. 306 which calls for ensuring enterprises' autonomy in production and business, boldly vesting enterprise directors with more power and duties, and clarifying the management role of directors and the mastery of workers.

First, effective steps must be taken to overcome the state of imbalance between dirt and rock overburden removal and coal exploitation, satisfactorily carry out the repair of vehicles and machinery and ensure road and rail transportation in order to meet the requirements of production and the need for better coal quality, consolidate the coal delivery link, and put this link under planning. Close cooperation must be achieved with the communications and internal affairs sectors in the struggle against coal theft as well as against negative phenomena surrounding the distribution of coal. This is to ensure the delivery of coal to the localities which need it, especially those key units such as electricity, cement, fertilizer, and textile establishments.

The vice chairman especially urged the leading cadres of the Ministry of Mines and Coal and of the Hon Gai Union of Coal Enterprises to maintain constant cooperation with the Quang Ninh Provincial People's Committee in mapping out plans and specific measures to care for the lives of the cadres, workers, and civil servants in the coal mining area.

ENVOY TO THAILAND PAYS FAREWELL VISIT TO PREM

OW121654 Hanoi VNA in English 1507 GMT 12 Sep 86

[Text] Hanoi VNA Sept. 12 -- The prince of the Kingdom of Thailand and Prime Minister Prem Tinsulanon received in Bangkok on Sept. 10 Vietnamese Ambassador Tran Quang Co, who is going to leave Thailand for home for a new assignment. On Sept. 11, Ambassador Tran Quang Co took leave of Thai First Deputy Prime Minister Phichai Rattakun. Earlier, he had paid a farewell visit to the Thai foreign minister, Sitthi Sawetsila.

On these occasions, the Thai leaders expressed their wish for further development of the friendship and cooperation between Thailand and Vietnam in the interests of the two peoples and of peace in Southeast Asia.

VNA DESCRIBES RELIEF EFFORTS IN TYPHOON-HIT AREAS

OW141803 Hanoi VNA in English 1527 GMT 14 Sep 86

[Text] Hanoi VNA Sept. 14 -- Urgent measures have been taken to overcome the consequences of the recent tropical storm "Wayne" which ravaged several coastal provinces of northern Vietnam on Sept. 6 causing substantial losses in lives and property.

In Tien Hai District, Thai Binh Province, east of Hanoi, 112 persons were reported dead, 1,380 other injured, all dwelling houses pulled down or demolished, more than 60,000 people left homeless, 460 classrooms demolished, 1,200 ha of rice at its earing stage inundated. Great havoc was also done to the orchards and forests.

In Ha Nam Ninh Province, "Wayne" cut a wide swath of destruction in 17 districts and townships including the provincial town of Nam Dinh. Up to Sept. 10, 191 persons were reported dead, 839 injured and 19 missing. This is the strongest hurricane to hit Ha Nam Ninh in the past 57 years. First aid teams have been set up and hundreds of tons of rice and tens of thousands of bamboo trees have been sent by the provincial authorities and tens of thousands of workdays spent on repairing the damaged schools and houses, restoring agricultural production and searching for the missing. Environmental hygiene is being intensively carried out to prevent the possible outbreak of epidemics. Many ministries and public offices have also provided the victims with emergency relief in food and other necessities.

The Ministry of Light Industry has sent ready-made clothes to Thai Binh. The Ministry of Agriculture has decided to supply Thai Binh and Ha Nam Ninh Provinces with vegetation seeds, fertilizers, insecticides, stock feeds and veterinary medicines. The general department of technical equipment under the Ministry of Agriculture has sent a group of cadres and skilled workers to the stricken provinces to help repair hundreds of tractors and other farm machines wrecked by the hurricane.

A delegation of the central Vietnam province of Nghe Tinh has gone to Tien Hai District, bringing along condensed milk and sugar for the injured under treatment at the local hospital. Hai Hung Province, southeast of Hanoi, has sent million dong worth of commodities to the victims.

AFP CITES 'OBSERVERS' ON ECONOMIC DIFFICULTIES

BK150216 Hong Kong AFP in English 0154 GMT 15 Sep 86

[By Laurent Maillard]

[Text] Hanoi, Sept 15 (AFP) -- A year after the launch of ambitious economic reforms, Vietnam's economy is still suffering from serious difficulties which the country's leadership is apparently unable to overcome, observers here say. Mistakes in carrying out the reforms, designed to liberalise the country's stagnating economy and stimulate growth, have provoked an acute economic crisis, they say.

The most spectacular problem is inflation. It refuses to ease and has caused the price of certain goods to increase tenfold in the past year, erasing the benefits of a devaluation and currency reform last September. The annual rate, estimated by some Vietnamese officials to be running at an unprecedented 700 percent, has eroded the meagre buying power of wage earners. Most wages have not been upwardly adjusted to take account of inflation in the past year and are still around 400 dong a month (27 dollars at the official exchange rate).

During the same period, the price of a bowl of soup in the streets of Hanoi has risen from four dong to 40 dong (from about 27 cents to 2.70 dollars), a kilogramme (2.2 pounds) of beef from 70 dong to 300 dong (4.67 dollars to 20 dollars) and a kilogramme of rice on the free market from five dong to 30 dong (33 cents to two dollars). Free-market prices for most manufacturered goods, often unavailable in state shops, have generally followed black-market prices for dollars and gold, which have soared in the past few months. A dollar, which was worth 35 dong on the black market after last September's monetary reform, today buys 350 dong.

"Purchasing power is one-tenth of what it was a year ago," a recent letter published in the army QUAN DOI NHAN DAN said. "Today, two wages is not even enough to buy sufficient rice for a couple with three children -- not to mention other things, like food, clothes and school stationery." The letter continued: "In future, even the most honest people will have to sort things out for themselves and negative phenomena have increased in response to unpredictable circumstances."

To overcome soaring inflation, which has taken off again in the past few weeks, the only measure proposed by the authorities until now, it seems, is the development of consumer-goods production and state trade. A resolution giving even more autonomy to enterprises and allowing the development of small private industry was adopted earlier this year after a lively debate. "But it will take months and years before its effects are felt," a Western analyst in Hanoi said.

Meanwhile, companies still lack competent managers to assume new responsibilities brought about by the reforms. According to reliable source, some are slow to change their management style and hide in a maze of old regulations which still exist. "More than three hundred regulations concerning the economy were published in 1985. I don't even have the time to read them, so how can I apply them?" a disenchanted economic official from a southern province recently told a foreign visitor.

The effects of confusion in enterprises and state trade caused by new accounting procedures are still being felt. The procedures place an additional burden on enterprises, which, according to official figures, still operate at 50 percent of their capacity because of raw-material and energy shortages. In Hanoi, state shops are still unable to fix prices for a number of products, including bicycles, electric fans and watches. It is still impossible to buy a vacuum flask, a blanket or a fan in a state shop in the capital. Shortages have, however, led a growing number of consumers to use the free market. In southern Vietnam, where more dynamism and less bureaucratic sluggishness prevails, the situation is decidedly better, although prices, even in the state shops, are much higher.

The reforms abolished the rationing of essential goods — rice, meat, sugar and petrol for instance — although it was re-established at the beginning of the year to overcome the inflationary effects on the standard of living, and remains in force in most of the country.

Faced with these problem, and with the Vietnamese Communist Party Congress not far off, the press here has virtually ceased writing about the economy. Government officials are barely visible and most foreign observers are wondering what action will be taken. "At the moment, the government is flying by sight," an official from the south recently told a foreign delegaton. "There's no longer any overall economic strategy since the reforms got stuck with difficulties."

#### BASIC PARTY ORGANIZATION CONGRESSES REVIEWED

BK131155 Hanoi Domestic Service in Vietnamese 1100 GMT Sep 86

[Text] As of 11 September, nearly all provinces, cities, and special zones countrywide have basically completed their basic party organization congresses. Some provinces and cities, which are slow, have continued to hold the congresses extensively. Some 50 district and town party organizations have thus far convened their congresses. From 3 to 9 districts and towns in each of Ha Nam Ninh, Thanh Hoa, and Lang Son Provinces have conducted or are conducting their congresses.

All the basic party organization congresses of districts and towns in all provinces, cities, and special zones have been prepared urgently and scrupulously. The congresses have devoted a proper amount of time to discuss the two draft documents of the Sixth Party Congress and the draft reports of the provincial, city, special zone, district, and town party organization congresses. They have made specific and realistic comments on the issues of concern to all our party members and troops, especially the objectives and measures to develop the socioeconomic situation, step up production, stabilize, and gradually improve the people's livelihood, oppose negativism and sluggishness in socioeconomic activities, and purify and consolidate the party organization.

In these congresses, the district, town and basic party organizations paid special attention to the task of referring to and applying the fundamental viewpoints and spirit of the two draft documents of the Sixth Party Congress in order to determine the operational guidelines of the party organizations and the urgent measures to resolve the problems in production and life in time ahead. Many basic party organizations such as the ones of the Hanoi eastern ward, Hai Dong villages of Ha Nam Ninh Province, Tan Long foundary of Haiphong, Quynh Luu District of Nghe Tinh Province, Hoa Vang District of Quang Nam-Danang Province, Kien Binh District of Hoang Lien Son Province, Go Dau District of Tay Ninh Province, have created some new changes in their thinking and action.

They have adopted resolutions to establish and develop the new economic structure, improve the management system, boldly remove difficulties and obstacles in distribution and circulation, redivide labor and trade, struggle against negativism, and achieve democracy and social justice.

AUSTRALIAHAYDEN ON CHILEAN REFUGEES, PNG AID CUTS

BK121046 Melbourne Overseas Service in English 0830 GMT 12 Sep 86

[Text] The foreign affairs minister, Mr Hayden, has foreshadowed the possibility of Australia accepting more refugees from Chile. Speaking in Port Moresby, where he has been having talks with senior members of the Papua New Guinea Government, Mr Hayden described the regime of Chile's ruler, General Pinochet, as violently repressive. AUSTRALIAN ASSOCIATED PRESS said Mr Hayden predicted accelerating violence in Chile where a state of seige had been imposed in the wake of this week's attempted assassination of General Pinochet. It said Mr Hayden described the general as a tin pot tyrant besotted with power. The office of the immigration minister, Mr Hurford, has confirmed that Australia will respond to the Chile refugee situation on a need basis through the special humanitarian program. Mr Hayden said that in 1984 several hundred Chilean miners were allowed to come to Australia under the program after being involved in a bitter strike protesting at General Pinochet's policies.

Meanwhile, Mr Hayden has given a broad outline of the formula under which Australia will reduce its aid to Papua New Guinea in coming years. The foreign minister refused to give special figures on the aid allocation, but said the aid package would have a substantial minimum base below which it would not fall and a maximum contribution of about \$330 million [Australian dollars]. Mr Hayden said the aid allocation would be reduced by 3 percent a year over the next 4 years and it could be anywhere between a minimum base and the maximum figure depending on the health of the Australian economy.

A Radio Australia correspondent in Port Moresby, Peter Cotton, said under the aid memorandum signed last September, Australia was to give Papua New Guinea about \$340 million in the next financial year. Cotton said that according to Papua New Guinea's foreign minister, Mr Vagi, under the new Australian proposal, aid to his country could drop by about 15 percent.

SOLOMON ISLANDS PM WANTS CYCLONE AID SPEEDUP

BK130949 Melbourne Overseas Service in English 0430 GMT 13 Sep 86

[Text] The visiting prime minister of Solomon Islands, Sir Peter Kenilorea, says he wants to speed up Australian aid in the wake of cyclone Namu, which hit his country in May. The cyclone left thousands homeless with many buildings and bridges destroyed and roads washed away. At a news conference in Sydney, Sir Peter said current aid deliveries were not causing any problem, but recovery from the cyclone would be faster if deliveries were accelerated. Sir Peter said schools were still very much in disarray. He expects to have talks in Canberra next week with the prime minister, Mr Hawke, and foreign affairs minister, Mr Hayden, and the defense minister, Mr Beazley.

GOVERNMENT PROTESTS PRETORIA SPY RECRUITMENT

BK130738 Melbourne Overseas Service in English 0430 GMT 13 Sep 86

[Text] A Foreign Affairs Department spokesman in Canberra says the Australian Government is deeply concerned by reports of an attempt to recruit as a South African spy a member of the Australian Embassy in Pretoria.

The Australian Embassy in South Africa has lodged an official protest and the matter is being considered by the foreign affairs minister, Mr Hayden. It was alleged that a 23-year old South African receptionist employed by the embassy, Miss Venessa Twine, was approached by two men last month. The men allegedly offered to make it worth her while to supply information gained in the visa section where Miss Twine had worked for (?3) months. The woman was told that she could be the first South African woman to become a James Bond.

TREASURER ON DOWNGRADING OF CREDIT RATING

BK110234 Melbourne Overseas Service in English 0130 GMT 11 Sep 86

[Text] The treasurer, Mr Keating, has said he does not believe the downgrading in Australia's credit rating for borrowing money overseas will have any effect on domestic interest rates, but he conceded that Australia's loss of the prestigious AAA credit rating could lead to an increase in interest rate in the government's treasury bonds. Mr Keating was commenting on the announcement in New York that the international credit research group Moody's Investors Services has dropped Australia to the second highest rate, AA-1. Moody's said continued weakness in world commodity prices threatened to place heavy pressure on Australia's future foreign currency earnings.

A Radio Australia reporter in New York, Andrew Krueger, says the value of the Australian dollar slipped by half a cent to 60.8 cents against the American dollar after the announcement. Krueger says the lower credit rating will affect borrowings by major institutions such as the Commonwealth Bank, Qantas, and the Australian Industries Development Corporation.

Earlier today, the treasurer issued a three-page statement defending the federal government's economic policies and saying he did not believe that credit downgrading was justified either on the basis of Australia's overall economic strength or measures by Canberra to adjust the economy to international uncertainties.

CURRENT ACCOUNT DEFICIT DECLINES IN AUGUST

BK110622 Melbourne Overseas Service in English 0430 GMT 11 Sep 86

[Text] The federal government today received an unexpected boost with the announcement of a drop in the current account deficit for August. The improvement in the balance of payments position is reflected in the level of the current account deficit -- more than \$1,235 million [Australian dollars]. From Canberra, Graham Well:

[Begin Well recording] Yesterday, federal ministers warned of the likelihood of a high figure. The trade minister, Mr Dawkins, said an improvement in the monthly pattern was unlikely before the latter half of the financial year. But the August current account deficit is down more than \$300 million from July, and the merchandise trade deficit for August was \$416 million. In seasonally adjusted terms, a fall of nearly \$200 million, reflecting increased exports and unchanged imports. Although exports rose by 20 percent in seasonally adjusted terms during August, rural exports fell 6 percent.

The most significant feature of that fall being a drop in wheat exports. Metals, machinery, and transport equipment export recorded good rises. [end recording]

ALP 'LEFT' WANTS HALFPENNY 1ST ON SENATE TICKET

BK140906 Melbourne Overseas Service in English 0830 GMT 14 Sep 86

[Text] A general meeting of the Victorian socialist left faction of the Australian Labor Party [ALP] has endorsed a prominent unionist, Mr John Halfpenny, for the No 1 spot on the party's senate ticket. The ticket is the order in which the party's preferred candidates appear on voting cards during general elections for the senate.

The decision to put Mr Halfpenny at the top of the ticket will be debated next week by the party's public office selection committee which seems certain to endorse it. This would see the relegation of the federal industry and technology minister, Senator Button, from the top spot to the virtually unwinnable third position behind Senator Gareth Evans.

Radio Australia's Melbourne office says this would trigger intervention by the federal branch of the party in the affairs of the Victorian ALP. Last week, the national secretary of the party, Mr (Bob McMillan), said there may be a postal ballot of the federal executive to overturn any decision to put Mr Halfpenny at the top of the ticket. Mr Halfpenny has declined to comment on the prospect of federal intervention.

FINANCE MINISTER ANNOUNCES RUPIAH DEVALUATION

BK121625 Jakarta Domestic Service in Indonesian 1512 GMT 12 Sep 86

[Indonesian Finance Minister Radius Prawiro's announcement on the government's new monetary policy -- recorded]

[Text] Dear listeners of Radio Republic Indonesia! I would like to ask for your time and draw your attention to the new monetary policy adopted by the government today. The main objective of the government's new monetary policy is aimed at ensuring the continuity of national development, which has already been endorsed by the People's Consultative Council.

As has repeatedly been stressed by our president on various occasions during the last 3 years, especially during his latest National Day speech on 15 August, our economy is now facing serious tests and challenges, which are caused by plummeting oil prices in a very short period of time. Besides, the prices of our agricultural and mining products on the world market continue to fall. We expected the drop in oil prices, but we did not expect them to fall that drastically in such a short time.

When we prepared our 1986-87 state budget, we expected oil prices to fall from \$28 to \$25 per barrel. Even if they dropped further, we only expected them to drop to \$20 per barrel. In January 1986, oil prices were still over \$25 per barrel. However, during the last 6 months, world oil prices have experienced a very drastic fall to less than \$10 per barrel. At present, our oil is priced at about \$12 per barrel.

The drastic fall of oil prices in such a short time is directly caused by an oil glut resulting from excessive production by a number of oil-producing countries unable to control their production. Despite preliminary signs that oil prices will return to normal and agreement on an oil production cut among OPEC member countries in September and October, the world oil market is still uncertain. The market has been so weakened that it is difficult to predict its future direction.

Even though we can boost our domestic revenue thanks to the new taxation system, state revenue from oil still constitutes a major source of income. Even though we can boost our nonoil and nongas commodity exports through our new economic policies, oil still constitutes our largest foreign exchange earner. For this reason, the drop of oil prices results in the reduction of state revenue.

There are hopes that oil prices in the 1990's will return to normal, but we cannot rely on these hopes because there have been many unpredictable events thus far. Even if the oil prices increase in the 1990's, we will still face two urgent problems: Namely, how should we cope with the serious impact of the current oil price fall and how should we safeguard our economy through a weakend world oil market from now to the 1990's.

We mentioned earlier that the drop in oil prices will directly affect our balance of payments and state budget. Without an early precautionary step to cope with this situation, the drop in oil prices would greatly affect the people's income, job opportunities, and economic activities.

We have not seemed to have felt the impact of the oil price fall for three main reasons: First, Indonesian economic resilience, which has been strengthened during the last 20 years; second, the government's uninterrupted efforts to protect the public from the impact; third, the increase in the state's income from nonoil and nongas commodity goods, the mobilization of the public savings, the support of our foreign reserves, the rescheduling of major projects, and other measures.

Taking all these factors into consideration, the government has come to the conclusion that the main step to be taken now is to maintain our balance of payments with a view to ensuring the continuity of national development. Therefore, the government has decided to devalue our rupiah by 45 percent against the U.S. dollar. The devaluation will take effect from tonight at 2400 West Indonesian Time [1700 GMT]. If the middle rate for \$1 today is 1,134 rupiah, it will be 1,644 rupiah after the devaluation. With this devaluation, we will be able to maintain our balance of payments because we will be able to safeguard our foreign reserves to ensure the continuity of our national development and the country's economy.

While our nonoil and nongas commodity exports will be more competitive in the international market, our imports of finished products will decrease because their prices will be higher. As such, the domestic economy is expected to grow because we will make maximum use of existing production capacity, either to meet domestic needs or for exports.

This is an important step in providing efficient protection to domestic products and in boosting nonoil and nongas commodity exports. All these things will create more job opportunities and stimulate economic activities in general. In this way, we can ensure the continuity of national development in the years to come.

To make this devaluation of the rupiah attain its targets and objectives, the government will continue to stimulate the business world and economic activities of the public. Therefore, the government has no plans to raise electricity or telecommunications charges or train and city bus fares. The government is fully aware that an increase in commodity prices may follow this devaluation. However, considering the sufficient supply of basic necessities and services, the government believes that such a price increase will remain within a normal range.

In this connection, the government will continue to maintain the 1986-87 state budget with great caution and exercise austerity measures by checking on government expenditures and spending money on truly urgent matters. The government will also continue to seek other revenues from nonoil and nongas commodity exports. In this connection, the government will continue to implement the [words indistinct] policy with a view to supporting economic activities without endangering monetary stability.

All this shows the urgency of the new economic measures we have to take in our efforts to boost our nonoil and nongas exports. Thus, we have reiterated our determination to shift our foreign currency income to the nonoil and nongas sector. I would like to end this announcement by reminding all of you of the call made by the president during his National Day speech on 15 August that all of us, government agencies, businessmen, intellectuals, and others take part in the great efforts to overcome the challenges. If necessary, we must be ready to make temporary sacrifices for the benefit of our future. Farewell, and I would like to thank you very much for your great attention.

## Briefs Editors

BK131331 Jakarta Domestic Service in Indonesian 1200 GMT 13 Sep 86

[Text] Finance Minister Radius Prawiro says the government decided to devalue the rupiah because of the drastic fall in oil prices on the international market. Speaking to the editors of several dailies about the background of the devaluation at the Information Department in Jakarta this afternoon, Radius Prawiro said that in January 1986 the government maintained that it would never devalue the rupiah because the price of Indonesian oil at that time was still relatively high -- \$25.13 per barrel. In August, the price plunged to \$9.83 per barrel and rose to \$12.20 in early September.

The government had expected the price of oil to fall, but nobody could have predicted such a drastic plummet. The finance minister said the price fall had caused Indonesia's oil and gas exports to shrink from \$12,437,000,000 in the 1985-86 fiscal year to \$6,621,000,000 in the 1986-87 fiscal year. Meanwhile, Trade Minister Rakhmat Saleh made it clear that the government will do its best to maintain an adequate supply of commodity goods and will not pursue policies leading to shortages in the markets.

Also attending today's meeting with editors were several cabinet ministers including Industries Minister Hartarto and Information Minister Harmoko.

SUHARTO CHAIRS CABINET MEETING ON DEVALUATION

BK131034 Jakarta Domestic Service in Indonesian 0700 GMT 13 Sep 86

[Text] President Suharto this morning in Jakarta led a special cabinet meeting at the National Secretariat Building in connection with the government's decision, announced last night, to devalue the rupiah. As announced, the devaluation is 45 percent against the U.S. dollar. Starting from the announcement of the devaluation, the exchange rate is 1,644 rupiahs for 1 U.S. dollar. In the cabinet meeting, President Suharto said the decision on the monetary sector was made to defend the strength of the national economy from possible threats that could arise in facing critical prices on the global oil market.

Meanwhile, Finance Minister Radius Prawiro said the action taken and announced by the government last night is aimed at not tipping the scales on the balance of payments, which had been affected by sharply declining oil prices, so that the country's foreign exchange will not have to be used to cover a major deficit. Thus, it will be possible to avoid using a large amount of foreign exchange to cover the current accounts deficit. The current account is a figure derived from the value of exports less imports and less the [word indistinct] which could reach \$6 billion if the devaluation had not been carried out.

According to Minister Radius Prawiro, the decision was a positive one, especially considering the balance of payments, which can be stabilized. Nongas exports can be strengthened to face competition in the international market. Domestic production will be protected against the competition of imports. It is said that the 1986-87 national budget will be influenced by this, and people have been asked not to be confused when making calculations.

The government is aware that, by making the 12 September decision, prices may rise, but looking back on the experience of the 1983 devaluation, price increases will not be high. According to Minister Radius Prawiro, the most important matter accompanying the decision to devalue is to banish people's fears and suspicions concerning the credibility of the rupiah.

**MOKHTAR ON PLANNED TALKS WITH FRENCH PRESIDENT**

BK121455 Jakarta Domestic Service in Indonesian 1200 GMT 12 Sep 86

[Text] Foreign Minister Mokhtar Kusumaatmaja has expressed his hope that France will be able to resolve the issue of New Caledonia's independence so as to enable the New Caledonian people to attain their aspirations for independence.

Speaking to newsmen in Jakarta this afternoon, Mokhtar said that Indonesia has always supported the New Caledonian people's aspirations for independence. The country currently remains under French administration. Mokhtar added that the issue of New Caledonian independence will not be raised during French President Mitterrand's upcoming visit to Indonesia 16-19 September. French nuclear policy in the South Pacific will not be discussed, either. Indonesia and France will hold talks only on bilateral relations, especially on matters related to economic cooperation because that is essential to support national development.

A French Government spokesman, [name indistinct], disclosed some time ago that a referendum on the issue of independence will be held in New Caledonia in 1987.

MALAYSIANO 'PERMANENT SHELTER' FOR SRV REFUGEES

BK150631 Kuala Lumpur BERNAMA in English 0554 GMT 15 Sep 86

["OANA/Pool" item]

[Text] Kuala Terengganu, Malaysia, Sept 15 (OANA-BERNAMA) -- Third countries were Monday urged to fulfill their moral obligation relating to the settlement of Vietnamese refugees receiving temporary shelter in Malaysia.

Defence Minister Abdullah Ahmad Badawi, who made the call, said Malaysia could not afford to provide permanent shelter for them. "With cooperation from international bodies like the United Nations High Commissioner for Refugees (UNHCR), we have been meeting our moral obligation. The time has come for us to say openly that this country cannot be expected to bear the burden forever," he said. Abdullah said this after visiting the refugee camp in Pulau Bidong near this capital of northeastern Terengganu State. Abdullah said the refugees had continued to land in this country and lately they had become a heavy burden owing to the decreasing number accepted by third countries of only about 600 a month. As a result, he said, there were still 8,039 refugees in the country and 5,557 of them were in Pulau Bidong.

The situation was further aggravated by the fact that only three countries -- the United States, Australia and Canada -- were now prepared to accept them, he added. He said the slowdown in refugee intake by third countries had prolonged Malaysia's burden of caring for them. He added that some refugees had been living in Pulau Bidong for seven years and so far there was no indication from any third country to take them. Most of those left behind had no particular skill or knowledge of English. Abdullah also sympathised with the people of Terengganu, especially the fishermen, who looked upon the refugees in Pulau Bidong as a threat to their livelihood.

ARMY COMMANDER SAYS COMMUNIST ACTIVITIES DECLINE

BK130325 Kuala Lumpur BERITA HARIAN in Malay 5 Sep 86 p 20

[Text] Ipoh -- On Thursday, Commander of the 2d Infantry Division Major General Datuk Jaafar Mohamed said that the Security and Development Program (KESBAN) in the border region especially with the opening of new land schemes, has been successful in lessening the infiltration of communist terrorists and their activities in the country. He said that following the establishment of the program most of the enemy, which is based in the neighboring country, has found it difficult to infiltrate into the country. He told this to newsmen today after attending a commencement ceremony for a special training course for officers of the Army Reserve Unit (PSTD) at a training center for the territorial army near here.

According to him, the enemy is inactive due to several successes scored during a series of operations carried out by the security forces in cooperation with the Thai security forces. The Thai authorities successfully destroyed several communist terrorist strongholds in their region and crippled the logistics infrastructure. Datuk Jaafar said there has been less combat activity by the security forces due to the difficulty in finding the enemy. He said, "However, this does not mean that the national intelligence network has failed to do so but it is due to the absence of the enemy from the country." The security forces during their operations found long-abandoned signs of communist activity in the jungle.

Datuk Jaafar said the number of security forces positioned along the border is sufficient to prevent any infiltration into the country. He said studies are constantly being carried out to deploy the army according to the situation.

INDONESIAN FOREIGN MINISTER ARRIVES 15 SEP

BK150309 Kuala Lumpur BERNAMA in English 0254 GMT 15 Sep 86

[Text] Kuala Lumpur, Sept 15 (OANA-BERNA) -- Indonesian Foreign Minister Prof Mokhtar Kusumaatmaja arrived at the Kuala Lumpur International Airport here for a one-day visit Monday. He was met on arrival by his Malaysian counterpart, Rais Yatim, and officials of Wisma Putra (Foreign Ministry) and the Indonesian Embassy. Prof Mokhtar is scheduled to meet Prime Minister Dr Mahathir Mohamad at his office Monday afternoon.

VOMD BROADCASTS PARTY ELECTION STATEMENT

BK121016 (Clandestine) Voice of Malayan Democracy in Malay 1215 GMT 11 Sep 86

[10 August 1986 Statement by the Central Committee of the Malay Nationalist Revolutionary Party of Malaya: "Set the New Direction of the Struggle."]

[Text] An undemocratic election suddenly took place on 2 and 3 August 1986. The Mahathir clique-led Barisan Nasional government had perpetrated various treacherous tricks unprecedented in the history of elections in our country to ensure its victory. In this regard, the Malay Nationalist Revolutionary Party of Malaya [MNRPM] condemns in the strongest terms the treacherous tricks perpetrated by the Barisan Nasional government as well as the undemocratic election system.

The public definitely wonders why Barisan Nasional, which won only 55.86 percent of the votes, could secure 148 seats of the 177 contested parliamentary seats, why the DAP [Democratic Action Party] winning 20.3 percent of the votes got 24 seats, why the PAS [Pan Malaysian Islamic Party] obtaining 15.26 percent of the votes won only 1 seat, and why independent candidates got only 4 seats. This was possible because the election system in our country is undemocratic. The distribution of seats was not proportional to the percentage of votes obtained by each party, and thus, did not fairly reflect the results of the election which were favorable to the regime but unfavorable to the patriotic and democratic forces.

Of 6,748,000 registered voters, as many as 4,717,000 cast their votes. Some 2.59 million of 55.86 percent voted for Barisan Nasional, while about 2.12 million or 44.14 percent voted for patriotic and democratic opposition parties and independent candidates. Some 2.03 million or 30.1 percent of the registered voters did not cast their ballots. These figures point out beyond any doubt that only one-third of the voters voted for Barisan Nasional and another one-third voted for opposition parties and independent candidates.

The MNRPM extends its warmest congratulations to the DAP, PAS, PSRM [People's Socialist Party of Malaysia], SDP [Socialist Democratic Party], Nasma [Nationalist Party of Malaysia], and independent candidates who succeeded in winning the some 2.12 million votes. This fact has undeniably proven that one-third of the voters voted for them. The DAP has doubled the number of its parliamentary seats, the PAS won an additional 2 percent of votes, and the PSRM secured votes impressively.

The PAS gained 33 percent to 46 percent of the votes in Kelantan, Terengganu, Kedah, and Perlis. Apart from the undemocratic election system, the Barisan Nasional government perpetrated various treacherous tricks against opposition parties and independent candidates, particularly against the PAS which it considers its number-one enemy. The tricks included, among other things, the sudden announcement of the election. Earlier, Barisan Nasional had launched massive campaigns under the cover of government activities. It concentrated its attacks on the PAS and unleashed various slanders and allegations against the opposition. But, the opposition was unable to counter all these slanders and allegations because the mass media is controlled by the government. Moreover, the opposition had no opportunity to use any forms of the mass media. The new delineation of constituencies greatly worked against the opposition.

Barisan Nasional wasted money to buy votes and cripple the opposition and intimidated voters by mobilizing the police and Armed Forces throughout the country. To substantiate the intimidation, it caused an uproar that a riot might break out if the opposition won. Barisan Nasional committed vote-cheating by post, deliberately damaged ballot paper, deleted names of voters from the voting list, and perpetrated other treacherous acts.

Despite the undemocratic election system and treacherous tricks, the opposition parties could have achieved greater results had they been able to establish a broadly-based united front to immediately counter the Barisan Nasional propaganda. Even though Barisan Nasional is gloating over the victory it has achieved through various treacherous tricks under the undemocratic elections system, it will continue to face a bleak future.

Our country cannot achieve economic growth due to world economic recession. The prices of primary commodities continue to drop. Protectionist tariffs imposed by industrialized countries are hampering our country's exports. The country's debts are soaring, and inflation is becoming worse. The number of unemployed is swelling. The gap between the rich and the poor is steadily widening. Racial polarization is sharpening. Corruption and the abuse of power are prevalent.

Contradictions between the Barisan Nasional and the people are sharpening, as well as between the Barisan Nasional component parties, particularly within the UMNO [United Malays National Organization]. The Mahathir regime will become more indifferent. All this will give new impetus to the people's struggle.

The MNRPM believes that a united front was not only very important before and during the election but also after the election. Accordingly, the patriotic and democratic opposition parties and people's organizations have an important task to establish immediately a broadly based united front to systematically counter the Barisan Nasional government. Such a united front must coordinate with one another, support the struggle of opposition representatives in Parliament and the state legislative assemblies, and systematically spread propaganda and educate the masses. The front must also lead the masses in launching an economic and political struggle and develop the patriotic and democratic movement.

To achieve these objectives, the MNRPM believes that a common program must be set through democratic consultations. This program must broadly represent the immediate economic and political interests of the masses of all races and strata. Only by these means can we broadly unite, awaken the consciousness of the masses, and force the Barisan Nasional Government to stop oppressing the people arbitrarily and end the domestic war inherited from the colonialists. Thus, only then can we establish a patriotic and democratic coalition government to defend the people's interests.

SINGAPORELEE TESTIFIES BEFORE PARLIAMENTARY COMMITTEE

BK131731 Singapore THE STRAITS TIMES in English 12 Sep 86 p 12

[Text] Prime Minister Lee Kuan Yew yesterday went into the witness box to open himself to questioning under oath, and to "satisfy the whole of Singapore" -- as well as Mr J.B. Jeyaretnam -- that his charges of Executive interference were baseless.

"I am here to answer three specific allegations and any matter connected with them. He will have all the answers he needs."

But the MP for Anson disregarded this invitation and chose instead to focus on questions about Mr Lee's personal views and philosophy towards the Opposition.

The three allegations made by the Anson MP in Parliament and in the course of five days of hearing by the Committee of Privileges were:

-- First, that Government made use of the three Public Service Commission [PSC] members and Attorney-General Tan Book Teik -- making up four in the six-member Legal Service Commission -- to arrange for judges to be removed from the Subordinate Courts.

-- Then, there was the charge that Chief Justice Wee Chong Jin and Mr Tan were beholden to Mr Lee.

He had said that he never discussed the transfer of any member of the subordinate judiciary with the Chief Justice, Attorney-General, chairman of the PSC or any other member of the Legal Service Commission.

Later in the witness box, Mr Lee talked about how, in his view, Mr Jeyaretnam was directly or indirectly responsible for an ASIAN WALL STREET JOURNAL editorial which had done serious damage not only to the Government and the Judiciary, but also to Singapore.

When it appeared that Mr Jeyaretnam was unlikely to get to the three core issues, the committee decided on a five-minute adjournment at 5:05 pm.

On their return, Dr Yeoh announced that this stage of the proceedings had come to an end and that the hearing would be adjourned to a date to be fixed.

— The most recent was that Mr Tan was being groomed for high office by the Government. And the Chief Justice, being aware of Mr Tan's strong political backing, had to defer to him over who to transfer from the subordinate judiciary.

Having defined the allegations, and having asked the committee not to allow Mr Jeyaretnam to go on a "free-roaming" exercise, Mr Lee waited for the questions.

Mr Jeyaretnam started by asking whether the Prime Minister hated him, and then went on to ask why Mr Lee used strong words to describe him in Parliament.

Mr Lee, saying he was mindful of not wanting to deny the MP for Anson his time for cross-examination, gave this a lengthy reply.

He told the hearing the types of opposition politicians he could tolerate, and those he could not. He put Mr. Jeyaretnam in the latter category, and he explained why.

Committee members, who reminded Mr Jeyaretnam that his time was limited and that he should get down to the core of the matter, were told by the MP for Anson that he was trying to establish the background necessary to prove his case that there was indeed political motivation. He asked to be allowed more time.

But the chairman, Dr Yeoh Ghim Seng, was firm, stressing that the hearing would be concluded at the day's end. Four days had already been spent.

Mr Lee repeated the point that he was only offering himself to answer the three specific allegations of Government wrong-doing.

"I have not been asked (to be a witness) to begin with. I made myself freely available. It has taken five days out of my work. I am not here for a general discussion," he said.

Before he entered the witness box, Mr Lee said the issue before the committee was the basis for the charges against Mr Jeyaretnam.

The MP for Anson said they were politically motivated. The Government's view was that the charges were based on hard evidence and that they were tried fairly right up to appeal stage.

The Prime Minister reminded the committee that he made a statement to the Commission of Inquiry into Mr Jeyaretnam's allegations in June.

AQUINO COMMENTS ON ISSUES PRIOR TO U.S. TRIP

HK121113 Quezon City BUSINESS DAY in English 12 Sep 86 p 16

[Text] Executive Secretary Joker Arroyo will be in charge when President Corazon C. Aquino leaves next week for her official working visit to the United States.

The President clarified this in a conference with newsmen at Malacanang yesterday.

Explaining her decision, the President pointed out that "it is the tradition in the past that all (Philippine) presidents who go abroad leave the executive secretary in charge."

The President's statement put into proper perspective an administrative order she issued last August 12 on who shall exercise the functions of the president during her state visit.

Under Administrative Order No. 4, the President said the Vice-President shall preside over Cabinet meetings, represent the President in social functions, preside over official ceremonies, and receive as well as return the official calls of foreign dignitaries on behalf and in representation of the President.

The same order instructed the executive secretary to sign all papers which are ordinarily signed by him under the President's authority. The executive secretary is also asked to transmit all official communications to the President while she is abroad.

Yesterday, the President said: "Any urgent matter that needs my attention will be sent through either him (Arroyo), Vice-President (Salvador H.) Laurel or my private secretary (her daughter, Bailsy Cruz) who are all in the best position to get to me immediately."

Mrs Aquino also clarified that her authorizing the National Security Council [NSC] to convene after getting her approval while she is abroad "has nothing to do with an earlier proposal by Laurel for the council to act as caretaker in her absence. [quotation marks as published]

For the first time during her administration the President convened the NSC Wednesday. Its membership was expanded, as proposed by Defense Minister Juan Ponce Enrile and Armed Forces chief Gen. Fidel V. Ramos.

In the same meeting, the President said she feels confident that she has the full support of the people and her Cabinet as she leaves for a nine-day US trip.

She said while in the US she would like to be free from worrying about differences among members of her Cabinet who will stay behind. It was a comfort to her to be assured by Laurel that the Cabinet will remain united under her leadership, she said.

Earlier, she had also been assured by Enrile of his full support while he stays behind to keep an eye of the country's security.

The President was again asked on the report that the White House is a bit unhappy about how she is handling the local communist insurgency problems.

The President said if U.S. President Ronald Reagan bothers to ask her about the matter, she would tell him "politely that this is a domestic problem and we Filipinos know how best to solve our problems."

The more important thing, "is that personal friendship between Reagan and myself is establish [as published]," she said.

Mrs. Aquino said she hopes to convince the country's creditor banks based in the U.S. to give her government more liberal terms in servicing the country's \$26-billion foreign debt.

"With 50 percent of our export earnings going to interest payments, it is impossible for the country to grow so I hope they (the credit banks) can see that there is no way we could repay them if they insist on terms that would make it impossible for us to do so," she said.

Current conditions are such that the government cannot even manage to launch a significant land reform program as envisioned by her administration, the President said.

There are indications however that the broad outlines of such a program may be announced by the President when she visits Negros Occidental upon her return from her U.S. trip in October.

The president said due to limited resources, "we cannot do as much as we would like to especially since we cannot just take over land without giving due compensation to the owners."

The least that they could do is to allow tenants in certain lands either owned by the government or foreclosed by government banks to implement projects which are funded mostly by outside financial assistance, she added.

The president yesterday also commented on the move in the Constitutional Commission [Con-Com] to include in the new constitution a provision seeking to declare the Philippines a nuclear free zone and to remove foreign military facilities in the country.

She stressed that she will not interfere with the Con-Com and reiterated her position to respect the agreement earlier forged by the past administration and the U.S. government which leaves the U.S. bases free to stay here until 1991 "and keep my options open on the matter afterwards."

The president also commented on the forthcoming ceasefire talks between her government and the communist insurgents represented by the National Democratic Front (umbrella organization of which the Communist Party of the Philippines and its armed support group the New People's Army fall under).

Mrs. Aquino said she is looking into a proposal for a regional ceasefire but that the guidelines for implementing this would have to be approved by her before it becomes effective.

## Warned of Possible Assassination Plot

HK140846 Hong Kong AFP in English 0835 GMT 14 Sep 86

[Text] Manila, Sept 14 (AFP) -- Philippine President Corazon Aquino has been warned that Filipino military officers loyal to her deposed predecessor could try to assassinate her when she visits the United States next week, newspapers reported here Sunday. Bonifacio Gillego, a U.S.-based official of a Philippine Government commission tasked with recovering ex-president Ferdinand Marcos's allegedly ill-gotten wealth, said he had received reports that some officers formerly assigned to diplomatic posts in the United States were planning to kill her.

Mr. Gillego said at least 10 Marcos loyalist officers with "managerial skills in clandestine operations" were capable of assassinating her, newspapers reported. "They are capable of doing anything," Mr. Gillego was quoted by the MALAYA newspaper as saying.

He said the officers were former members of Armed Forces' intelligence units and the Presidential Security Command sent by Mr. Marcos to the United States to monitor the activities of anti-Marcos groups there, using their diplomatic posts as cover, MALAYA reported. Mr. Gillego added that the officers were now on unofficial leave, having failed to return to the Philippines despite a recall order issued by Armed Forces Chief of Staff General Fidel Ramos after a military-led revolt in February put Mrs. Aquino in power and sent Mr. Marcos into exile in Hawaii. He said he had alerted Mrs Aquino to the assassination danger, the SUNDAY TIMES reported. The presidential palace could not confirm the report. Mr. Gillego could not be reached for confirmation.

## Assures Nation of Security

HK150718 Quezon City Radyo ng Bayan in Tagalog 0700 GMT 15 Sep 86

[Text] President Corazon Aquino today brushed off the fears of some that the newly-won democracy may be endangered while she is away in the United States. She made the statement in brief remarks shortly before boarding her plane at the Manila International Airport. The President said there is no need for concern because the fate of the nation is in the hands of the people. The President's aircraft will be leaving any minute now. The President also stated that the reason for her mission is to strengthen relations with the United States and to urge the United States to open its markets to Philippine goods.

## Departs for U.S. 15 Sep

HK151115 Quezon City Radyo ng Bayan in Tagalog 1000 GMT 15 Sep 86

[Text] President Corazon Aquino again called on the entire nation to unite to stabilize the country. She made the appeal before leaving for the United States. Mrs Aquino emphasized that she is visiting the United States not only as president but also as living proof of the power and courage of the Filipino nation.

[Begin Aquino recording in English] [Words indistinct] and that really allowed me to accept the invitation, and that is to stand before them as the president of our people and the living proof of their power and courage. I shall remind them of all that the Filipinos can accomplish when they put their mind and hearts to it.

I shall be there to convince them that they can depend on us to carry out our obligations, that we, out of honor have called upon ourselves. [passage indistinct] Those who are afraid that my absence would endanger that democracy [words indistinct] for democracy is not propped up by me alone but by the power of the people.

[Following in Tagalog] On my departure, I call on all to continue praying. I thank you for the assistance you have accorded me. Until our next meeting, please do not forget to unite as one. Thank you very much. [applause] [end recording]

Meanwhile, the Philippine Airlines plane that carried the president left Manila International Airport at 0715 today. Among the officials in the president's entourage are Trade and Industry Minister Jose Concepcion, Jr, Finance Minister Jaime Ongpin, Natural Resources Minister Ernesto Maceda, Economic Planning Minister Solita Monsod, and Central Bank Governor Jose Fernandez. Mrs Aquino will arrive in San Francisco first before meeting with President Reagan in Washington D.C. Her U.S. visit will last 9 days.

#### ENRILE, MARCOS SPEAK ON COUP PROSPECTS

HK140138 Manila Far East Broadcasting Company in English 0130 GMT 14 Sep 86

[Text] In Manila, Philippine Defense Minister Juan Ponce Enrile yesterday brushed aside rumors that there would be power grabbing in the country as soon as President Corazon Aquino leaves for her U.S. visit. Minister Enrile said that the same old rumor is coming out again. The Philippines' top defense official told a group of lawyers that there is no danger in the country during President Aquino's absence, especially to her presidency. However, Mr Enrile warned that if any group mounts an attempt to take over the government by force, the government will see to it that they will be behind bars.

Meanwhile, deposed Philippine President Ferdinand Marcos declared that an attempted coup during President Aquino's visit to the United States was improbable. Mr Marcos declared this during the celebration of his 69th birthday, his first in exile, in Honolulu. The deposed Philippine president likewise expressed his desire to be in the Philippines for his next birthday, and said that he wants to go back, but not to start a civil war.

#### MARCOS' DAUGHTERS TO LEAD ANTI-AQUINO RALLIES

HK150627 Quezon City Radyo ng Bayan in Tagalog 0400 GMT 15 Sep 86

[Text] Reports say that the daughters of former president Marcos, Imee and Irene, will lead the anti-Aquino demonstrations in San Francisco and Washington. This was reported by Doctor Leonilo Malabog, head of the Friends of Marcos group and the San Francisco Mission Bank, who said the two were given permits to hold demonstrations when the president arrives in San Francisco today. Another report says that Imee Marcos-Manotoc has been allowed to hold a rally at Lafayette Square, some kilometers from the White House.

METRO MANILA 'CONTINGENCY PLAN' DRAWN UP

HK121305 Manila PHILIPPINE DAILY INQUIRER in English 12 Sep 86 p 6

[Text] Metro Manila acting Gov. Joey Lina yesterday met with officers of the Capital Region Command (CAPCOM) to discuss a "contingency plan" during President Aquino's visit to the United States.

After a two-hour closed door meeting at the Metro Manila Commission's war room, Lina said drawing up the plan was "normal". He refused to elaborate.

Lina also tagged as "confidential" information on the alleged mobilization of Marcos loyalists.

The agenda of the meeting included an assessment of the peace and order situation in Metro Manila by CAPCOM chief Brig. Gen. Ramon Montano, as well as security arrangements during the President's trip.

Asked if the supporters of the deposed president are beginning to pose a threat to the stability of the metropolis Lina said "there are no indications," quelling speculations of a possible overthrow of the Aquino government.

As he kept mum on the delicate issues of the meeting, Lina readily disclosed information on plans to improve peace and order in the metropolis including the strengthening of the police force through improved pay scales. Policemen, on the average, have takehome pay of P800 a month, Lina added.

AQUINO, BALWEG SIGN PEACE ACCORD 13 SEP

HK140052 Manila Far East Broadcasting Company in English 0030 GMT 14 Sep 86

[Text] President Aquino's quest for peace continued to gain headway yesterday when she signed a peace pact with renegade priest Conrado Balweg for an indefinite cease-fire in the war-torn Cordillera Region in the northern Philippines. The Philippine President again broke all protocol when she flew to Mountain Province to meet face to face with Balweg, who waged a relentless war against the government in the late seventies to protest the dislocation of the Cordillera people.

The President's historic meeting with Balweg culminated in the signing of a joint memorandum of agreement between the New Armed Forces of the Philippines and the Cordillera People's Liberation Army headed by Balweg. A presidential spokesman told reporters during a press conference that the President gave Balweg a Bible and rosary.

The historical meeting again demonstrated the sincerity of President Aquino to end immediately the bloodshed in the country. Under the joint memorandum of agreement, the government and Balweg's group agreed and committed themselves to a cessation of hostilities. However, both sides will constitute their respective panels for negotiations on the issue involved to be carried out immediately.

## More on Accord

OW131313 Tokyo KYODO in English 1217 GMT 13 Sep 86

[Text] Manila, Sept. 13 KYODO -- The Philippine Government and leaders of a guerrilla group fighting for greater autonomy for tribal minorities in the northern Philippines have signed a cease-fire pact and agreed to appoint envoys to peace talks, a presidential spokesman said Saturday. The agreement was reached Saturday morning during a meeting between President Corazon Aquino and Conrado Balweg, chairman of the Cordillera People's Liberation Army (CPLA), in a hotel in Benguet Province. Most of the CPLA's leaders, including the 42-year-old Balweg, are former members of the communist-led New People's Army (NPA) in the region. "The reason for this visit is to show that my government is different from the previous one. That is why I brought my ministers along to attend to your problems," Aquino was quoted by press secretary Teodoro Benigno as telling the CPLA's 10-man delegation. This is the second time in Aquino's seven-month presidency that she has broken protocol by meeting with a rebel leader. Two weeks ago, she met with Muslim rebel leader Nur Misuari in the southern Philippines, where another cease-fire accord was hammered out.

Defense Minister Juan Ponce Enrile, who accompanied Aquino, "expressed concern that complete cessation of hostilities would not be possible" in parts of the Cordillera where the NPA guerrillas operate, the spokesman said. The NPA has said that it will not abide with any agreement that may be reached by the Aquino Government with the CPLA.

NPA DENIES ATTACKING CAMP AGUINALDO, OTHER CAMPS

HK130734 Laoag City Nation Broadcasting Corporation DWRI in Ilocano 0400 GMT 13 Sep 86

[Text] A New People's Army press release says there is no truth to the alleged plan to attack military camps in the city. The NPA General Staff also mentions that the hysterical protest of Defense Minister Juan Ponce Enrile is totally against the launched peace talks between the government and the communist rebels. According to the NPA, they are not responsible for a gunbattle that occurred recently near the gate of Camp Aguinaldo, where members of the NPA liquidation squad are staying.

## Shoot To Kill Order Issued

HK130056 Manila Far East Broadcasting Company in English 2300 GMT 12 Sep 86

[Excerpt] The military yesterday [12 Sep] issued a shoot to kill order against a long-wanted hitman of the New People's Army who shot dead a soldier and wounded an army captain last Wednesday in front of gate 1 of Camp Aguinaldo in Quezon City. Colonel Pedro Juanchon, Jr., Camp Aguinaldo commander, issued the order after it was established that Jose Aurelio Reyes, an NPA hitman, is also wanted for the killing of 11 other persons, mostly policemen, in Metro Manila during the past years. Reyes was arrested Wednesday by military police operatives near Camp Aguinaldo. He escaped after shooting to death Corporal Vicente Landicho and seriously wounding Captain Cecilio Palada inside a minicruiser jeep. Juanchon warned the public that Reyes is dangerous and armed with a handgun. [passage omitted]

ENRILE SAYS STEPS TAKEN TO FIGHT INSURGENCY

HK120943 Quezon City BUSINESS DAY in English 12 Sep 86 p 16

[Text] Defense Minister Juan Ponce Enrile yesterday said the military is fully aware of the insurgency problem, including the one in the Metro Manila area, and positive steps have been taken to ensure the security of the people.

Enrile made the remarks in reaction to the shooting of an Army corporal and a captain at the gate of Camp Aguinaldo in Quezon City Wednesday, by suspected assassins from the New People's Army.

Capt. Cecilio Palada and Cpl. Reynaldo Landicho of the military police brigade were both shot in the head as they were bringing the suspect and his companion into the camp for questioning.

Enrile said the incident should not be the cause for alarm but it should be the starting point in recognizing that an insurgency problem exists even in the city.

"What we are saying is that we have a problem, the sooner we recognize the problem the better for us all," Enrile told newsmen yesterday.

He said the problem should be squarely confronted and "we should not pretend there is no problem and hope that it will blow away and leave us."

The defense chief also indicated that the Camp Aguinaldo incident could be the beginning of a protracted plot of the insurgents to sow violence in the city.

He however added that the military will not allow this to happen.

On the shooting incident, Enrile said military investigators are still looking into the case and that he has not received any report on the matter lately.

Meanwhile, Col. Pete Juachon, Camp Aguinaldo commander, told newsmen yesterday that he has sent several teams out to look for the suspect, a certain Ely, tagged as the gunman who shot the two government troopers.

Juachon said they have firmed up links as well as certain leads regarding Ely's reported ties with a sparrow unit of the NPA.

He, however, declined to give out details on these links saying that they do not want to preempt the investigation at this early stage.

LAUREL, GONZALEZ COMMENT ON PEACE TALKS

HK130050 Manila Far East Broadcasting Company in English 2300 GMT 12 Sep 86

[Text] Vice President Salvador Laurel yesterday [12 Sep] said a deadline must be set for the rebels to lay down their arms if they want a bloodless settlement of disputes. Laurel said a cut-off date must be set, and if no agreement is reached and they still want to topple the government, then they are considered enemies of the state.

Laurel added that the Aquino government is doing its best for peace to regain [as heard] in the country, and he added that the peace efforts of the president must bring about positive results.

Still on the government's peace moves, Justice Minister Neptali Gonzalez yesterday appealed for support for President Aquino's peace initiatives with the communists. He warned that the collapse of the ongoing peace negotiations with the rebels would result in fratricidal strife. In a speech before the Kiwanis Luzon district convention at the Manila Hotel, Gonzalez warned of terrible consequences should the present peace talks with the insurgents fail. He also said President Aquino is trying her best to seek a peace that is enduring, just, and honorable, not peace for the dead, but for the living.

NDF PRESSSED TO RESPOND TO CEASE-FIRE PROPOSAL

HK120945 Quezon City BUSINESS DAY in English 12 Sep 86 p 16

[Text] President Corazon C. Aquino wants "something concrete" from the National Democratic Front (NDF) on the government's proposal of a 30-day ceasefire before she leaves the country for the United States this Monday.

In what appears to be a stronger government stance, Agriculture and Food Minister Ramon Mitra yesterday said the president wants a "categorical position" from the NDF.

Mitra hinted that if NDF negotiators -- Satur Ocampo and Antonio Zumel -- fail to accept the ceasefire proposal, government's efforts to negotiate for peace might be aborted.

"If we cannot agree on this (ceasefire) we will not be able to agree on anything," Mitra told a group of reporters.

Mitra's statement has in effect given the NDF negotiators only three days to agree to a ceasefire without any specific conditions. According to the minister, President Aquino wants to issue "a statement" about the peace talks before she leaves for the U.S.

President Aquino wants an assurance that peace negotiators could "hold the hand that squeezes the trigger" when she issues any statements before leaving, Mitra said. "The president wants a cessation of hostilities."

The 30-day ceasefire was proposed by Mitra and Commission on Audit chairman Teofisto Guingona, the other member of the government panel, to the NDF negotiators last Saturday during a four-hour meeting "somewhere in metro Manila."

However, last Monday the NDF rejected the government's proposal saying that good intentions alone cannot guarantee that such an agreement will work.

In a press statement issued by the NDF Monday rebel negotiators said the Aquino government's proposal for 30-day ceasefire, without prior definition of its mechanics and safeguards may prove useless or a "mere scrap of paper."

The NDF negotiators explained that the current operational policies and heavy concentration of troops of the Armed Forces are the main deterrent to the government's proposal for a mutual declaration of ceasefire.

Irked by such a rejection, Defense Minister Juan Ponce Enrile last Tuesday told the Publishers Association of the Philippines, Inc. (PAPI) that if the NDF does not want any ceasefire, "there will be no ceasefire."

**'Opposed to Any U.S. Interference'**

HK150501 Quezon City Radyo ng Bayan in Tagalog 0400 GMT 15 Sep 86

[Text] The National Democratic Front [NDF] says it is opposed to any agreements for a cease-fire if President Aquino will use these as a bargaining tool during her talks with President Reagan. At a press conference, NDF leaders said they are opposed to any U.S. interference in the peace negotiations. The government has been trying to obtain the NDF's agreement to a 30-day cease-fire prior to the departure of the president. However NDF negotiator Satur Ocampo says that the peace talks should not be subject to any deadlines.

**RAMOS REITERATES MILITARY SUPPORT FOR PEACE**

HK121325 Manila THE NEW PHILIPPINES DAILY EXPRESS in English 12 Sep 86 pp 1, 7

[By A. F. Soriano]

[Text] General Fidel V. Ramos, AFP [Armed Forces of the Philippines] chief of staff, reaffirmed yesterday the military's full support of President Aquino's peace initiatives, saying that he has encouraged similar efforts at local and regional levels.

He said even without the formulation of national guidelines on ceasefire negotiations, he has instructed his field commanders to establish contact with the insurgents in hopes of forging local or regional ceasefire agreements.

Reiterating his recent statement of support during a consensus among AFP officers, Ramos said the armed forces "continues to support fully and remain constantly under and to respond faithfully to civilian authority."

Ramos said the President in a statement last April at the University of the Philippines said, "I am offering the insurgents an honorable peace. One that will not ignore their demands, but also one that will not detract in any way from the security of the people, the stability of the government and the honor of the armed forces."

Ramos also cited another statement of Mrs. Aquino in which she made it clear that "there will be no ceasefire with return of the troops to the barracks that will lead the insurgents in a free zone within which to operate with impunity."

However, Ramos said the local peace pacts should not be accompanied by any pre-conditions.

He said that as much as possible, ceasefire and peace negotiations should involve the participation of all the sectors of the community -- the church, the professionals, labor and youth.

GOVERNMENT, MNLF NEGOTIATORS TO CONSULT FACTIONS

HK121223 Quezon City BUSINESS DAY in English 12 Sep 86 p 13

[Text] Zamboanga City -- Government emissary Agapito "Butz" Aquino and Nur Misuari, chairman of the Moro National Liberation Front (MNLF), have drawn up their itinerary for the series of consultations with other MNLF and Muslim leaders in Mindanao.

Details of the consultations were worked out Tuesday in Maimbung, Sulu by Aquino, Misuari and Norberto Gonzales, chairman of the Partido Demokratiko Sosyalista ng Pilipinas (PDSP) [Philippine Socialist Democratic Party] who liaisons with the two panels.

For security reasons, the dates and places of the meeting were not disclosed by Aquino.

Upon their return to Zamboanga Tuesday, Aquino and Gonzales said that except for some "technical details," the scheduled consultations in other parts of Mindanao are expected to be completed, at the most, within two weeks.

The consultations were decided by Misuari after his dialog with President Corazon C. Aquino in Jolo, Sulu, last Friday to find a lasting solution to the 14-year-old Mindanao rebellion which resulted in the death of close to 50,000 people.

During the dialog President Aquino and Misuari had agreed on the creation of two panels -- one representing the government and the other the MNLF -- to work out conditions for the settlement of the Mindanao conflict.

As to the final talks between the two panels, Aquino said there is a possibility the talks may be held in a foreign country for security reasons and to facilitate movement for Misuari who is "quite uncomfortable in Maimbung."

The name of the country was not mentioned but it could be nearby, Aquino said.

It was not said how Misuari will be commuting from his base at Maimbung to other parts in Mindanao but Gonzales said the MNLF leader will make it to the places agreed upon on the dates of consultations.

The first-day Bangsa Moro Congress which ended last Friday gave Misuari a free hand in working out with the Aquino government ways to solve the Mindanao problem.

Misuari has told reporters in Maimbung that he considers Mindanao as historically and geographically not part of the Philippine Republic.

On the other hand, president Aquino said he will not allow the separation of Mindanao from the Republic as a condition for peace in Southern Philippines.

**MILF Protests Accord**

BK141455 Hong Kong AFP in English 1435 GMT 14 Sep 86

[Text] Cotabato, Philippines, Sept 14 (AFP) — Some 70,000 members and supporters of a Moslem rebel faction staged a rally in this troubled southern city Sunday to protest the recent peace dialogue between Moslem rebel leader Nur Misuari and President Corazon Aquino. Mr Misuari, who heads the Moro National Liberation Front (MNLF), forged a formal truce with Mrs Aquino after attending a Moslem congress in the southern island of Sulu in the first week of September.

Members and supporters of the Moro Islamic Liberation Front (MILF), a breakaway group from the MNLF, came by the truckload from nearby Moslem provinces and gathered in a park here to attend what they called the MILF Bangsa Moro peace and consultation rally. It was the second such rally since Mrs Aquino came to power in February.

The protesters, composed mainly of unarmed soldiers, farmers, laborers, and religious leaders, braved steady rains and chanted "allahu, Akbar" while speakers took turns in denouncing [words indistinct] and demanded that all Moslem factions be represented in peace negotiations for the Moslem south. Placards displayed at the rally also solicited support for the MILF under Hashim Salamat, and said any negotiations without Mr Salamat's participation would not be binding on the MILF and the Moslems in general. Speakers also demanded that negotiations between the Moslems and the Philippine Government be held under the auspices of the Organization of Islamic Conference and World Muslim League.

**NEW CORDILLERA PARTY IN 'INITIAL' STAGES**

HK120931 Quezon City ANG PAHAYAGANG MALAYA in English 12 Sep 86 p 14

[Text] Baguio City -- Partido Cordillera [Cordillera Party] a political party envisioned to take the reins of the regional autonomous government in the Cordillera is now in its initial stage of formation.

This was disclosed by Partido Cordillera preparatory committee member, James Balao, in an interview with the CORDILLERA NEWS AND FEATURES.

Balao said the organization of the new political party was initiated by a group of Igorot lawyers, professionals and government employees in preparation for the coming plebiscite and local elections.

He said that the preparatory committee has organized committees to plan for the formal launching of the party probably by October.

Members of the preparatory committee include Joseph Humiding of Ifugao; Joseph Facullo, provincial board member of the Mt. Province; Tomas Beneafin, former board member of the old Mt. Province; David Baoas, director of the Office of Muslim Affairs and Cultural Communities, and Joanna Carino of the Cordillera People's Alliance.

A draft platform of Partido Cordillera has been prepared containing its proposed program for the establishment of regional autonomy in the Cordillera.

In its draft platform, Partido Cordillera declares itself as "a political party which stands for the interests of the indigenous people of the Cordillera" having a general program of government aimed at "asserting the right to self-determination."

Its political program proposes "linkages among local, ethnic, sectoral and multisectoral organizations so that the constituency can directly participate in all levels of decision-making."

The installation of a regional police force to maintain peace and order as well as the codification of all positive customs and traditions as part of the law are other significant items in their program.

On culture, Partido Cordillera proposes to work for the recognition of indigenous cultural institutions, to resist the dominant foreign orientation in education, to promote freedom of media and arts, and to work towards the elimination of discrimination of chauvinism against ethnic minorities.

The party's social policy affirms a "preferential option for the poor, the weak and dispossessed in the programs of the autonomous region by establishing a network of social services that benefit the masses".

Its economic program emphasizes on the protection of ancestral land, comprehensive agrarian reform, progressive tax system, employment opportunities and job security and development of science and technology.

At present, Partido Cordillera organizers are inviting all Igorots who subscribe to the general program of the party for regional autonomy to become members.

**PRO-MARCOS MAYOR MURDERED BY SUSPECTED REBELS**

HK140054 Manila Far East Broadcasting Company in English 0030 GMT 14 Sep 86

[Text] A former mayor identified with deposed president Ferdinand Marcos was shot dead yesterday in the ambush by suspected communist rebels. Military officials said Daniel Lacson, former mayor of Magalang, a town north of Manila, was the second pro-Marcos municipal leader killed in the northern Philippines in the past 3 weeks. An army spokesman said he was gunned down by at least eight men as he was driving to his farm outside the town. The state-run PHILIPPINE NEWS AGENCY said meanwhile an army captain shot by a suspected communist rebel outside an army camp in Manila died last night in a hospital.

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